

Nurses threaten complete walk-out

By MENACHEM SHALEV
For The Jerusalem Post

The hospital nurses last night announced that they would abandon the hospitals completely — including intensive care units — "one day this week" if negotiations between them and the government don't start immediately.

The nurses, who met late last night at Beilinson Hospital in Petah Tikva, dropped their previous demand for a written memorandum as the basis for negotiations. They called on the government to sit with them "without any document." The nurses said that with the start of such negotiations, nurses would gradually start to return to the hospitals.

The nurses will hold a mass rally at Kikar Malchei Israel in Tel Aviv on Thursday at 6:00 p.m. The 11,000 nurses will assemble in white uniforms.

Nurses abandoned hospital emergency wards yesterday but hospital directors described the situation as "quite tolerable."

The stalemate with the nurses continues.

No negotiations were held yesterday. The health and finance ministries have recommended to Premier Peres that he not meet with the nurses, since "they are sticking to their intransigent position."

Sources at the Prime Minister's Office told The Jerusalem Post last

night that a decision had yet to be made about the nurses' request for a meeting.

Hospital directors told Health Minister Gur that the situation in the hospitals was "stable." They said there were major differences in the level of medical treatment being given at each hospital. These, they said, had come about because the nurses committees in each hospital was deciding when to provide nurses.

The emergency ward at Bikur Holim Hospital in Jerusalem was on duty yesterday for children. At noon, the ward was almost empty. Nurses entered constantly to check on the patients, issuing quick instructions to volunteers and clerks.

"Our consciences won't let us really abandon those who need treatment," the ward's head nurse said.

Most hospitals reported that the number of patients in emergency wards was smaller than usual.

At Soroka Hospital in Beersheba, nurses stayed on duty in the emergency ward, citing concern for patients' safety and Soroka's status as the only hospital in the south "between Kiryat Gat and Eilat."

Doctors at Beilinson and Hasharon hospitals in Petah Tikva are to strike for an hour today to protest against "the employers' and the gov-

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PLO-Israel prisoner swap mooted

TUNIS. — The PLO's Fatah organization has offered to turn over one Israeli soldier and three bodies of Israeli soldiers to Israel in exchange for the release of 1,100 to 1,500 Palestinian prisoners, the PLO's Tunis-based Wafa news agency reported on Sunday.

Defence Minister Yitzhak Rabin categorically denied the report to The Jerusalem Post defence reporter, saying that the only Israeli prisoners now in Arab hands are being held by the Lebanese Shi'ite fundamentalist Hizbollah organization.

Meanwhile, PLO chief Yasser Arafat told reporters in Vienna that the prisoner swap, "is only an idea. We are ready." Arafat made the remark after addressing the United Nations Conference on Namibia.

Queen Mother Juliana to visit in October

AMSTERDAM (JTA). — Queen Mother Juliana of the Netherlands and her husband Prince Bernhard are planning to visit Israel in October, it was announced yesterday. They have been invited by the Jewish National Fund to attend the dedication of the Queen Beatrix Forest, named after their eldest daughter, and funded by the royal couple's gifts from Holland.

Arafat lauds Waldheim

VIENNA. — PLO chairman Yasser Arafat yesterday expressed his "warmest wishes to Kurt Waldheim" on the eve of the former UN secretary-general's inauguration as Austrian president.

Speaking to a UN conference on Namibia, Arafat said of Waldheim's election: "The people of Austria have again shown their adherence to the principles of national independence despite the pressure from outside."



Japanese Prime Minister Yasuhiro Nakasone dots the eye of a lucky daruma doll yesterday after leading his Liberal Democratic Party to its biggest election victory. (Reuters telephoto)

Japan's ruling party coasts to big victory

TOKYO. — Japan's ruling Liberal Democratic Party (LDP) romped to its biggest election victory yesterday, winning 300 seats for a decisive parliamentary majority, according to official results.

The result of Sunday's poll for the 512-seat lower house, the House of Representatives, and the less important upper house was a personal triumph for Prime Minister Yasuhiro Nakasone and looked like clearing the way for him to begin an unprecedented third term.

The Home Affairs Ministry said the pro-American LDP had won 300 seats, but it increased its overall strength to 304 by recruiting four successful independents as party members.

The party, which has governed Japan continuously for 31 years, set its previous record of 296 seats in 1960.

Nakasone told a news conference: "Honestly speaking, I had no thought of winning 304 seats. Seeing this, I do not detect the hand of individual men. This is the word of the people, the word of heaven and the word of God."

The lower house election brought no boon to the opposition, which, observers said, had once again failed

to offer voters a clear picture of an alternative government.

It was particularly damaging to the Japan Socialist Party (JSP), the main opposition force in parliament, and the centrist Democratic Socialist Party (DSP). However, the Buddhist-backed Komeito and the Japan Communist Party (JCP) roughly maintained their pre-election strength.

The JSP took 85 seats (compared to 110 before the election), the Komeito 56 (59), DSP 26 (37) and JCP 26 (27).

Nakasone yesterday promised new diplomatic initiatives toward peace and disarmament. He also said he would call an extraordinary session of the Diet (parliament) in September to adopt measures to stimulate the economy, including cuts in income and inheritance taxes.

He interpreted the vote as "support to continue (Foreign Minister Shintaro) Abe's and my line of foreign policy."

"We now want to make 'first moves' in diplomacy, for example, in peace and global disarmament. We will make utmost efforts to bring about the second summit meeting between U.S. President Ronald

(Continued on back page)

Jordanians shut down Fatah's Amman offices Blow to Arafat

By Jerusalem Post Staff
and Agencies

Jordan closed all Fatah offices in Amman following the organization's recent criticism of Jordan's policies towards the Palestinians.

Senior Fatah leader Abu Iyad speaking in Tunis, blamed the moves on Jordan's Prime Minister Zeid A-Rifai, and said they were designed to create an alternative leadership to the PLO which would cooperate with Israeli plans to impose Palestinian self-rule in the territories.

Defence Minister Rabin welcomed the move, terming it "a development in the right direction." He said the closing of PLO offices in Jordan would further restrict its activities there, and reduce terrorism originating in the territories and inspired and assisted by Amman's hospitality to the PLO.

Rabin said the reduction of the PLO's influence would also be beneficial to Jordanian-Israeli relations and the attitude of Palestinians in the territories.

A Jordanian cabinet statement, carried by the official Petra News Agency, said the closure of the offices was a response to criticism of Jordan by Fatah's Revolutionary Council. It was taken "purely on grounds of national security," the statement said.

The closure order is the sharpest Jordanian action yet following King Hussein's February 19 decision to

break off a year-long alliance with Arafat aimed at working out a peace with Israel.

But the cabinet statement said Jordan still recognized the PLO as the Palestinians' "sole legitimate representative," a status it won at a 1974 Arab summit conference.

Information Minister Mohamed Khatib said in a telephone interview that 25 offices not directly affiliated with the PLO would be closed, while 12 PLO offices, including that of the Palestine Liberation Army, would remain open.

"The offices which belong to the PLO as an organization will stay; those opened after 1982 must close," he said, referring to an expansion of the Fatah presence after Palestinian fighters had been evacuated from Lebanon in 1982.

The offices closed included those of Arafat's military deputy Khalil Al Wazir (Abu Jihad) and of his chief political adviser, Hani Al Hassan. Khatib said that offices of Fatah's "Western Front Command" and of its Force 17 would be shut, though offices of the PLO representative in Jordan and of the Palestine National Council would remain open.

The highest-ranking Fatah official in Jordan, Khalil Al Wazir said he had been told that no Fatah members would be expelled. But Khatib indicated that some expulsions were possible, saying, "anyone who's

(Continued on Page 7)

Details presented to High Court

Moda'i affidavit: Peres knew of deal for Shin Bet pardon

By BARBARA AMOUYAL

Justice Minister Yitzhak Moda'i yesterday responded to a High Court order by presenting the details leading up to the June 25 presidential pardon of General Security Service (Shin Bet) Chief Avraham Shalom and three top aides.

Later in the day, Moda'i told The Jerusalem Post that he recommended suspending all cabinet or public debate on the Shin Bet matter until after the High Court rules on the orders nisi that it has before it on the affair.

"I am not a party to suggestions that the government preempt the court's decision by calling for a judicial commission of inquiry," he said.

According to Moda'i's affidavit, co-signed by senior Justice Minister adviser Dr. Yosef Ben-Or, Prime Minister Shimon Peres had known of Shalom's intention to resign from the Shin Bet in exchange for a presidential pardon before senior cabinet members learned of the option at a June 24 meeting in the Prime Minister's Office.

Moda'i's statement seemed to

contradict Peres's Knesset statement last Monday in which the premier claimed he had been taken by surprise by attorney Ram Caspi's proposal of resignation in exchange for the pardon.

Moda'i was brief and vague in his affidavit to the High Court, which is hearing five petitions challenging the presidential pardons and the postponement of a police investigation into the Shin Bet affair. He wrote:

"During the course of discussion in which the attorney-general said

(Continued on back page)



Australian drug peddlers Kevin Barlow (left) and Brian Chambers were hanged in Kuala Lumpur shortly before dawn yesterday. They were the first westerners to hang under Malaysia's tough anti-narcotic laws. (Reuters telephoto)

Malaysia hangs 2 Australians

KUALA LUMPUR (Reuters). — Australian heroin peddlers Brian Chambers and Kevin Barlow, the first Western drug offenders to be executed in Malaysia, were hanged shortly before dawn yesterday after eleven-hour appeals for mercy failed.

Some 200 reporters and onlookers watched as a truck at Pudu prison here took the bodies to the mortuary where they were due to be claimed by families for funeral services later in the day.

Malaysia has now hanged 38 people, mostly from southeast Asia, since 1975, under laws which prescribe death for anyone convicted of

having over 15 grams of heroin.

Chambers and Barlow were arrested in Penang in 1983 with 180 grams of heroin and given mandatory death sentences last July. All appeals failed.

The governor of Penang, the last source of mercy, rejected repeated clemency pleas. He has never pardoned drug peddlers.

The two men's relatives broke down and wept as they left the jail on Sunday afternoon.

Chambers' mother, Sue, said in a written statement: "No one has the right to take someone else's life. It's inhumane. There is no more to be said, but he will be free forever."

Coup flops as rebel troops agree to quit Manila hotel

MANILA. — Rebel Philippine soldiers backing a failed coup against President Corazon Aquino have agreed to quit their commandeered luxury hotel and return to barracks, Defence Minister Juan Ponce Enrile said last night.

He said 180 soldiers who took over the five-star Manila Hotel would leave at dawn and had until noon to "rejoin our military organization" without threat of punishment.

Ringling down the curtain on a bizarre attempt by former foreign minister Arturo Tolentino to take over the reins of government, Enrile said. "There has been a tentative agreement that all those hotel guests will vacate the Manila Hotel not later than 6 a.m. today."

"There will be no discrimination, no mistreatment, no mistrust, no indication of any...ill-will against the (military) people simply because of what they did," he said. "This is the policy adopted by no less than our own President Corazon Aquino."

But he said he did not know whether sedition charges would be filed against 75-year-old Tolentino, who on Sunday had himself sworn in as vice-president and assumed the position of acting president — with what he said was the approval of ousted strongman Ferdinand Marcos.

Enrile said that would be discussed by a special committee comprising

(Continued on Page 3)

State loses top witness in land trials

By BARBARA AMOUYAL
For The Jerusalem Post

West Bank land dealer Ahmed Ouda will no longer be a state's witness in several on-going land fraud trials because of a broken agreement that led to his arrest late Sunday night.

Investigators from the police serious crimes unit arrested Ouda on suspicion of lying to police about an allegedly illegal land deal worth some 40,000 Jordanian dinars.

Ouda was placed under surveillance after he made an agreement in August 1985 to aid the investigations and testify in court in exchange for immunity from prosecution. He was

then suspected of "playing both sides against the middle" and taking advantage of his "privileged status," a police source said.

A search of Ouda's home and car late Saturday night uncovered evidence that he had falsified documents in a series of land sales and had misled investigators "with tactical omissions and half-truths."

A police spokesman yesterday declared "null and void" any agreement between police and Ouda. The spokesman added that the change in Ouda's status should not adversely affect several on-going trials includ-

ing those of Shmuel Einav and Avi Tzur.

Einav, a West Bank land dealer is charged with bribing government officials in exchange for land development permits. Tzur, a former aide to then-deputy agriculture minister Michael Dekel, is charged with seven counts of taking bribes from Ouda. Einav, contractor Avraham Gindi — who burned himself to death last month — and others.

Ouda is to be tried in a military court. A police spokesman said yesterday that prosecutors would consider Ouda's previous cooperation and would not request the maximum sentence.

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The weather at major Swissair destinations

	7.7.86	MIN.	MAX.	
AMSTERDAM	13	15	18	Cloudy
BRUSSELS	9	10	14	Cloudy
BURUNDI	5	11	14	Cloudy
CHICAGO	24	24	31	Cloudy
COPENHAGEN	16	17	21	Cloudy
FRANKFURT	14	17	22	Cloudy
GENEVA	14	17	22	Cloudy
HAMBURG	14	17	22	Cloudy
HELSINKI	14	17	22	Cloudy
ROME	25	27	30	Clear
STUTTGART	14	17	22	Cloudy
VIENNA	14	17	22	Cloudy
ZURICH	14	17	22	Cloudy

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THE WEATHER

	Yesterday's	Today's	Max	Min
Jerusalem	48	16-26	25	16
Nahariya	43	16-24	28	16
Safed	46	15-27	26	15
Haifa Port	41	20-34	33	20
Tiberias	41	18-28	27	18
Nazareth	40	18-30	30	18
Alula	50	18-28	28	18
Shimon	61	20-28	28	20
Tel Aviv	63	20-29	29	20
B-G Airport	62	20-29	29	20
Jericho	67	22-36	33	22
Gaza	62	22-38	38	22
Beer-Sheva	38	20-31	30	20
Eilat	18	24-38	37	24

SOCIAL & PERSONAL

World Wizo President Raya Jaglom gave a farewell reception Sunday night for HE the French Ambassador and Mme. Jacques-Pierre Dupont, at the Tel Aviv Hilton Hotel.

ARRIVALS

Rabbi Solomon K. Shapiro, Executive Director of Yeshiva Yavne of New York, to attend the meeting of the Board of Directors of his branch, the Machon Mahanesh in Jerusalem.



Belize Minister Manuel Esquivel, who arrived yesterday, together with his wife and his country's foreign minister, on a week-long visit, was met at an official reception yesterday at the rose garden near the Knesset by Prime Minister Peres, Knesset Speaker Hillel, and Foreign Minister Shamir. (Isaac Harari)

Tremor in Safed
A minor earthquake, whose Richter scale rating was not available last night, shook Safed early yesterday evening. No injuries or damage were reported.

Panel passes bill banning suspects' names

By BARBARA AMOUYAL
For The Jerusalem Post
The ministerial committee on legislation yesterday approved by a vote of 7 to 3 a draft bill that seeks to ban early publication of suspects' names. The bill now goes to the Knesset, where it must pass three readings before it becomes law. The bill would make it illegal to publish names of suspects until they have been charged or held on re-

Beduin illegal buildings demolished

By DAVID RUDGE
Jerusalem Post Reporter
CARMIEL. - Interior Ministry workmen yesterday demolished two illegally constructed buildings belonging to a Beduin family in the Mount Camon area of Central Galilee, east of Carmiel. A large contingent of police was on hand to protect the workmen in case of trouble. Several youngsters threw stones in the direction of the police, but there were no injuries and no arrests were made. Prior to sending in the bulldozers, ministry officials evicted the family and removed their belongings. The demolition order was issued by the Acre Magistrates Court, after the

Peres: Sofaer may get agreement on Taba

By ASHER WALLFISH
Post Knesset Correspondent
Prime Minister Shimon Peres yesterday told the Knesset Foreign Affairs and Defence Committee that the Sofaer mission has some prospects of success. State Department legal adviser Judge Abraham Sofaer is shuttling between Cairo and Jerusalem trying to draft the *compromis* document for the arbitration of the future of the

HOME AND MIDDLE EAST NEWS

Ministers again defer vote on Brigham Young University

Moda'i to check into Mormons' planned activities on Scopus

By BARBARA AMOUYAL
For The Jerusalem Post
The ministerial committee dealing with the controversial Mormon university centre in Jerusalem yesterday deferred its vote for yet another week so that Justice Minister Yitzhak Moda'i could examine the legality of the building's licence and the activities planned for its Mt. Scopus site.

The eight-member committee was formed last December to submit recommendations by January 1986 on the fate of the Brigham Young University centre. A decision has been delayed several times. Most recently, Yosef Burg, the minister of religious affairs, promised that a decision would be taken "come what may" at yesterday's meeting. In an effort to appease the oppo-

nents of the institution, Moda'i proposed a law that would forbid "all forms of missionary activity." Missionary activities as such are not illegal in Israel, though the offering of economic or other inducements to conversion are banned. Moda'i's request to examine the building licence apparently ignored a recent study of the issue by deputy

attorney-general Yoram Bar-Sela who determined that there were no legal grounds for stopping the project, even if some people might argue against the procedure by which the choice Mt. Scopus site had been acquired. Interior Minister Yitzhak Peretz, in an Israel Radio interview yesterday, called the Church of Latter Day

Saints (Mormons) a "dangerous cult." Peretz said that he had proof that the church had tried to bribe "unknown people" to ensure Israeli support for their project. Dr. Arthur Nielson, assistant to Brigham Young University's Jerusalem programme director David Galbraith, told *The Jerusalem Post*

that he was "shocked and disturbed" at Peretz's slanderous remarks. "I am deeply disturbed that a man in such a prominent position would make such totally unfounded statements. His allegations of criminal activity (bribe) are anathema to our principles. We never gave anything, or induced anyone to join our church," said Nielson.

Man sought by FBI over fraud reportedly hiding here

By YORAM GAZIT
TEL AVIV. - Ultra-Orthodox sources in Bnei Brak said yesterday that Yisrael Greenwald, who disappeared last February in New York and is reportedly being sought by FBI agents, is hiding in Bnei Brak's religious section, or in Jerusalem's Mea She'arim neighbourhood. Greenwald, whose car was found abandoned in New York's Kennedy Airport last February, comes originally from Bnei Brak. He was alleged-

ly associated with a Hassidic gang in Brooklyn that was involved in a multi-million dollar bonds fraud. The U.S. Embassy spokesman yesterday denied that FBI agents were searching for Greenwald in Israel. He said he had never heard Greenwald's name before. According to earlier press reports, Greenwald, 35, arrived in the U.S. in the late 1970s and settled in New York. There, he met his wife, had a son, and became a very successful diamond merchant.

He was a member of a local diamond club and established the Blue River Gem diamond. He reportedly used to fly to Liberia, where he bought unpolished diamonds for import into the U.S. In the early 80s, according to the reports, Greenwald became involved in arms sales to developing countries. The reports suggest that his disappearance might have been connected with his entry into a field which was new and alien to him.

development, cultural activities, parks or road repairs," said Assad Azizeh, head of the Dabburiya local council. The Arab municipalities are about \$15 million in debt and their leaders say they receive only about one-third of the allocations given to comparable Jewish councils. Yosef Ginar, an aide to Minister without Portfolio Ezer Weizman for Israeli Arab affairs, told the demonstrators that the \$1.1 m. had been delayed for technical reasons and should be forwarded soon.

Peretz defends converts proposal

By ASHER WALLFISH
Post Knesset Correspondent
Interior Minister Yitzhak Peretz's proposal to identify converts to Judaism as "Jewish by conversion" in their identity cards is not discriminatory and was not meant to be offensive, the minister said yesterday. Replying to five motions for the agenda, which were sent to committee with the consent of the coalition executive, Peretz said the concept "convert" was honourable and admirable in Israel's traditions.

Arab councils demonstrate in support of budget parity

Post Middle East Staff
Displaying signs that read "Equality and No Less!" some 300 striking Arab municipal leaders and workers demonstrated yesterday in front of the Knesset for budget parity with Jewish municipalities. The Arab leaders complained that the government had still not turned over \$1.1 million of a promised \$4 m. to cover debts from the 1984-85 fiscal year. "We don't have any money for

Terrorist appeals to leave country

A panel of three High Court judges is to hear the case of a Nazareth resident and convicted terrorist, released in the prisoner exchange with the Ahmed Jibril terrorist group, who is barred by an administrative order from leaving the country. The defendant, Monir Mohammed Ali Shahada, was sentenced to 20 years in prison in 1979. He claims that since his release in 1985, he has been unable to find work. But he has been accepted for studies in Spain. Shahda maintains that since his release he has not engaged in any action that would harm the state, and wants the court to order the authorities to let him leave Israel. In Tel Aviv yesterday, a 35-year-old Lod man, Mahmoud Ben Hamis Hamad, also included in the 1985 deal, was sentenced to five years in prison, and two years suspended, for trying to sell a Kalashnikov rifle to a Gaza Strip man. (Itim)



Passers-by look at a machine-gun armed Syrian soldier in West Beirut's Hamra Street yesterday. Lebanese army troops and Syrian soldiers sealed off the busy business street and forced unlicensed street vendors to remove their carts. (Reuters telephoto)

Syrians in Beirut 'no threat to Israel'

Post Middle East Staff and agencies
The presence of between 250 and 500 Syrian soldiers in the Beirut area does not immediately threaten Israel's security, close observers of the Lebanese situation said yesterday. They noted that Syrian troops had been stationed in Beirut before Israel's invasion of Lebanon in 1982. Syria's presence in Beirut now is connected to the Shi'ite-PLO confrontation, and has no direct or in-

direct impact on Israel, the sources added. Meanwhile, Yasser Arafat told a Kuwaiti newspaper that the ceasefire in the Beirut refugee camps was designed to give Syrian-backed forces time to regroup for the eventual demolition of the refugee camps which are PLO strongholds. The next PLO-Shi'ite battle would spread south to Sidon, site of Lebanon's largest Palestinian refugee camp, Arafat told the Kuwaiti daily *A-Siyassah*.

HOME NEWS IN BRIEF

Hart meets with Shamir

Jerusalem Post Staff
Vice Premier Yitzhak Shamir yesterday told U.S. Senator Gary Hart that Israel's approach to peace in the region would not change when he took over as prime minister in October. Shamir and Hart discussed Israel's relations with Egypt, Jordan and Syria during a 40-minute meeting. "Most of my visit here has to do with the military and the state of Israel's defences," Hart said. "The message which I've received so far has to do with Israel's policy of maintaining a great deal of strength to prevent war, rather than win a war. That's a policy that I think the people of the United States can continue to support very strongly."

Sword-swinging man kills two on NY ferry

NEW YORK (Reuters). - A deranged sword-wielding Cuban refugee killed two people and injured nine others yesterday, turning a Staten Island ferry into a terror ship as it glided past the Statue of Liberty. Police said that Juan Gonzalez, 43, who came to the U.S. in 1977, moved through three levels of the ferry, slashing people in the back, stomach and arms. His victims ranged from a 16-year-old girl to tourists from Austria and Kansas. Two of those stabbed, a woman in her 50s and a 71-year-old man died. Gonzalez was removed from a city shelter for the homeless four days earlier for threatening others.

Arab League reportedly stops funding PLO

BONN (Reuters). - The Arab League has told the PLO that it can no longer give the organization monetary support because of its own financial difficulties and because the PLO has allegedly misused the funds. A report to this effect appeared yesterday in the West German newspaper *Frankfurter Allgemeine Zeitung*.

Jemayel said selling passports to PLO
BONN (Reuters). - Lebanese President Amin Jemayel has sold 400 valid Lebanese passports to the PLO for \$2 million according to a report published Sunday in the West Ger-

man newspaper *Welt am Sonntag*. The deal was arranged in a meeting between Jemayel and Fatah's deputy-military commander Abu Jihad, the newspaper reported.

Peres ready to set up panel on Shin Bet methods

By ASHER WALLFISH
Prime Minister Peres yesterday said that he was ready to form a special committee to determine how the General Security Service (Shin Bet) should function, in light of the 1984 bus hijack affair. Peres told the Knesset Foreign Affairs and Defence Committee that he had already decided on the membership of this committee. But only after the High Court of Justice had completed its consideration of the pleas filed in connection with the

Shin Bet affair would he hand his nominees their letters of appointment and officially announce the committee's establishment. He said the establishment of the committee was in line with the recommendations of the attorney-general, the inner cabinet and the full cabinet. During the discussion, members of the Knesset panel made the following points: Elazar Granot (Mapam): The appointment of a judicial commis-

sion of inquiry has become more urgent in light of the contradiction between the version of events after the hijack given by Foreign Minister Shamir, and that given by Shin Bet chief Avraham Shalom. When Granot asked why cabinet secretary Yossi Beilin had not signed the affidavit filed by the government in response to the High Court plea, Peres said that such a signature was the responsibility of the Justice Ministry and not of the cabinet secretary.

Ehud Olmert (Likud): Peres was not aware that the two terrorists had been put to death. Neither was Shamir aware of it. Peres: I would be glad if you did not make comparisons. Shamir insisted again yesterday that public attention should no longer be focused on the Shin Bet affair, and that every report on the subject damaged the security service. He was speaking in Jerusalem to a conference of spokesmen of public institutions.

Sir Moses Finley, history professor, 72

Sir Moses ("M.T.") Finley, formerly master of Darwin College and professor of ancient history at Cambridge University, died on June 23, within hours of the death of his wife Mary. They were cremated on Friday. He was 72. Born in America, Finley got his B.A. at the age of 15 at Syracuse University and his M.A. two years later. His subject then was American constitutional law. He became a professor at Rutgers University and took a stand against McCarthyism, founding the American Committee for International Freedom.

For this, he was called before a congressional committee in 1952. But, invoking the 5th Amendment, he refused to cooperate with the committee, which led to his dismissal from Rutgers. Finley then left the U.S. and started a new career in Britain, specializing in ancient history. He became, according to one description, "the best social historian of Greece." His books include two classic works, *Studies in Land and Credit in Ancient Greece*, and *World of Odysseus*. He was knighted in 1979. D.K.

The Honorary Officers, Directors and Staff of The Joint Israel Appeal of Gt. Britain and Northern Ireland and its Israel office deeply mourn the passing of

ARCHIE SHERMAN
and extend sincere condolences to MARJORIE AND ALL MEMBERS OF THE FAMILY

TECHNION INSTITUTE OF TECHNOLOGY
deeply mourns the passing of **ARCHIE SHERMAN**
devoted friend and benefactor of the Technion and the State of Israel
and extends its sincere condolences to Marjorie and the entire family

On the first anniversary of the death of our beloved **Rabbi MORRIS H. FINER** ז"ל
there will be a graveside memorial service in Har Hamenuhot cemetery, Givat Shaul, Friday, July 11, 1986.
We shall meet at the cemetery entrance at 10 a.m.

The Family mourns the death of **ARCHIE SHERMAN**
a beloved husband and father
Shiva at the Hilton Hotel, Tel Aviv, Room 1501.
Minha at 7:30 p.m.

The International Board of Directors, Administration and Staff of **SHAARE ZEDEK MEDICAL CENTER, JERUSALEM**
deeply mourn the passing of their friend and partner in healing **ARCHIE SHERMAN** ז"ל
and extend sincere condolences to MARJORIE AND THE FAMILY.
Ludwig Jesselson: Chairman, International Board of Directors
Charles Bendheim - President, American Committee for Shaare Zedek
Moshe Mann - Chairman of Executive Committee, International Board of Directors
Dr. Michael S. Rosenbluth, Director General

The International Board of Governors of **SHAARE ZEDEK MEDICAL CENTER, JERUSALEM**
is deeply grieved at the loss of their benefactor and friend **ARCHIE SHERMAN** ז"ל
and express heartfelt sympathy to his widow, MARJORIE AND THE FAMILY.
HAL BERETZ, Chairman

מקום לאבד

France, N. Zealand end rift over sabotage

LONDON (AP). — The environmental group Greenpeace said yesterday it was pleased that France agreed to apologize for the sinking of the Rainbow Warrior, but refused comment on the shortened prison terms of two French agents convicted of blowing up the ship and killing a Dutch man on board.

France has admitted its agents blew up the Greenpeace vessel in the harbour at Auckland, New Zealand, on July 12, 1985, as it was preparing to sail on a mission to monitor French nuclear testing in the South Pacific.

A spokesman for French Premier

Jacques Chirac said yesterday that France and New Zealand had settled their dispute over the sinking. France agreed to apologize and pay \$7 million in compensation to New Zealand.

"Greenpeace is pleased that the New Zealand government are to get an apology," the group's spokesman George Pritchard said in London. "We hope that they also find the compensation which they will receive adequate."

New Zealand also announced it had accepted a UN ruling that calls for the two French agents, who had been sentenced to 10 years in prison,

to be transferred to a French military facility on the South Pacific island of Hao.

They are to remain there for at least three years, which corresponds with the length of a French overseas military posting.

"As far as the two agents are concerned," Pritchard said, "we have no comment to make other than that the New Zealand prime minister has our wholehearted support and will retain our support as long as he continues to work for a nuclear-free Pacific."

He said Greenpeace is pursuing its own compensation claims privately

but would not say how much it was demanding from France.

The government of Prime Minister David Lange has taken a strong anti-nuclear stand and has barred from territorial waters any nuclear-powered vessels or ships capable of carrying nuclear weapons. His stand has strained New Zealand's relations with the U.S. and Britain.

Hao atoll, measuring 6x10km., is in French Polynesia's dusty Tuamotu archipelago, 900km. east of Tahiti. The base's main function is logistics for Mururoa atoll, where France carries out underground nuclear tests.

Howe puts off visit to Pretoria

LONDON. — British Foreign Secretary Sir Geoffrey Howe yesterday postponed a peace mission to South Africa, but the Foreign Office said he still planned to go to Pretoria at a later date.

Howe was due to visit Pretoria this week as current president of the European Community's Council of Ministers in a last attempt by the community to promote a black-white dialogue in South Africa aimed at ending apartheid.

The Foreign Office said he planned to go ahead with a separate stage of his mission by visiting Zambia and Zimbabwe later this week.

Howe had planned to start his mission early this week, but was told by South Africa that President P.W. Botha and other officials were too busy to see him.

Meeting in York, leaders of the Church of England yesterday added their voice to mounting pressure for British action against South Africa by voting overwhelmingly for "effective economic sanctions."

A resolution moved by Bishop of Coventry Simon Barrington-Ward was approved by 394-21 with 12 abstentions at the summer session in York of the General Synod, the policy-making body of bishops, clergy and laity.

The vote was followed by the reading of an impassioned plea from Desmond Tutu, the black Anglican bishop of Johannesburg, to "Please, please stand by us."

Meanwhile, a white construction employee was shot dead yesterday as he drove workers to a Port Elizabeth black township, and the government reported five blacks burned to death and another killed by police in separate clashes.

Also, police said Winnie Mandela was freed of all state-imposed restrictions. The announcement formally ended more than 20 years of restraints — which the black activist has openly defied since a series of run-ins with security police in January.

The latest killings brought the death toll in violence through the weekend to at least 32, and 141 since a state of emergency was imposed on June 12. (Reuters, AP)

Show Biz extravaganza closes Statue of Liberty festivities

NEW YORK (APF). — Showbusiness handed its last massive adieu to the 100th anniversary of the Statue of Liberty on Sunday night with a \$6 million extravaganza of rock'n roll, jazz, hot Gospel singers, banjo players, Hollywood stars, flashing laser beams and jets of water.

"Liberty weekend" ended in a packed 50,000-seat stadium, as it had started Thursday evening, in a frenzy of patriotic fervor.

The three-hour programme ended

with the crowd chanting "U.S.A., U.S.A."

One of the rare moments of spontaneous enthusiasm in a carefully regulated timetable for television was the homage paid by the crowd to 700 American and French workers who had repaired and cleaned the statue.

The master-of-ceremonies of the four-day festival was Hollywood producer David Wolper who organized similar celebrations at the Los

Angeles Olympic Games, repeating some of the more successful spots there.

The entertainment included 5,000 extras, many dressed in folk costumes from their countries of origin to emphasize the American melting-pot.

Showbusiness stars included Elizabeth Taylor, Shirley MacLaine and Gene Kelly with Liza Minnelli bringing the house down with her rendering of "New York, New York."

Riders and horses from the Garde Republicaine appeared between tap-dancers and cowboy guitarists to remind the crowd that the Statue of Liberty was a gift from the people of France.

Nevertheless, there was criticism from some people who looked on the celebrations as "unworthy" of the occasion. But Wolper retorted: "All I wanted to do is for people to have a good time and for people to feel good about the country."

Iranian assault smashed at Mehran, Baghdad claims

NICOSIA (AP). — Iraqi forces smashed a new major Iranian assault near Mehran in the central sector of the Gulf War battlefield, the official Iraqi News Agency (INA) reported yesterday.

Iraqi warplanes also attacked a "large maritime target" in the Gulf and bombed installations on Iran's Kharg Island oil terminal.

"Maritime targets" usually mean tankers using Kharg to export oil, Iran's economic lifeline.

The agency, monitored in Nicosia, quoted the Iraqi military high command in Baghdad as saying the attacking Iranian force was completely wiped out after a fierce battle that began at 11.15 a.m. Thursday.

INA said Iraqi artillery and

Mehran is an Iranian border town in the central sector of the 1,180km. holy city of Karbala south of Baghdad, the biggest since Teheran's forces stormed Iraq's Faw peninsula in the south in February.

Iraqi Prime Minister Hussein Musavi said last week the objective of the offensive was to "liberate" Karbala.

Iraq, while admitting the loss of Mehran, has denied that any hills on its side of the border have fallen, as claimed by Iran. Both sides have been reporting heavy fighting in the region since the Iranian offensive was launched June 30.

There was no Iranian comment on the Iraqi claims yesterday.

U.S. scientists to monitor Soviet test site

MOSCOW (Reuters). — A private team of U.S. scientists said yesterday they would monitor the Soviet Union's main nuclear power test site to show it was possible to verify a complete ban on nuclear weapons tests.

Thomas Cochran, who leads the group from the New York-based Natural Resources Defense Council, said they would set up equipment at three points near the site at Semipalatinsk in the Central Asian republic of Kazakhstan.

"The objective is to demonstrate that verification is no obstacle to a nuclear test ban, and that the U.S. and the Soviet Union can cooperate in that objective," Cochran told a news conference.

Cochran explained that the group, which is working with Soviet scientists, wanted to amass data on seismic activity in the Kazakh area which would later enable scientists outside the Soviet Union to establish the strength of a Soviet test.

Earth tremors often occur in Kazakhstan, and Western scientists have lacked sufficient information to judge how shock waves from Soviet nuclear tests differ from those at the U.S. site in the Nevada desert.

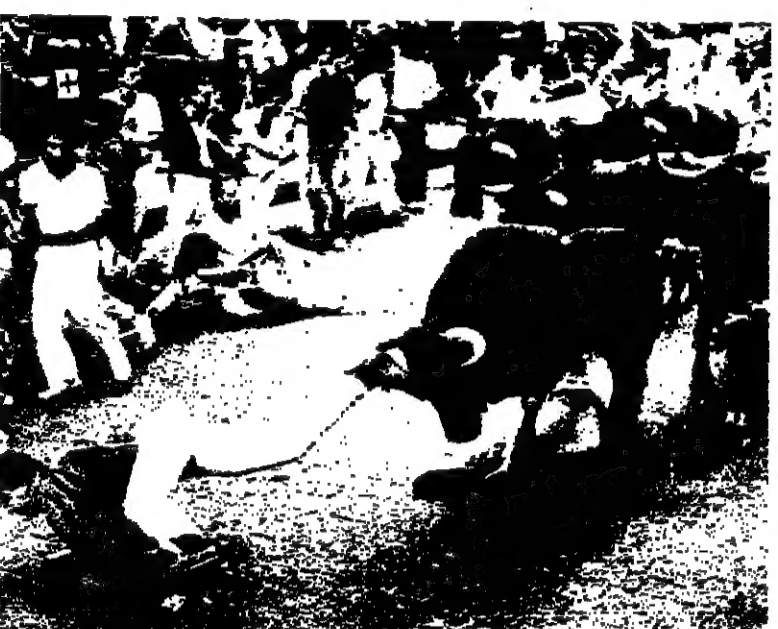
The Reagan administration has turned down Soviet test proposals for a joint U.S.-Soviet test moratorium on the grounds that proper verification measures are necessary and explosions are needed to maintain the U.S. nuclear deterrent.

Angolan rebels killed 120 gov't troops claim

LISBON (Reuters). — Angola's Unita rebels said yesterday they had captured a northeastern diamond mining site and attacked government forces in a central province, killing 120 troops and destroying a tank and a helicopter.

Unita (The National Union for the Total Independence of Angola) said in a statement distributed in Lisbon that the actions took place between June 27 and July 3. The rebel group said its own forces lost 13 dead and 74 wounded in the fighting.

There was no independent confirmation of the actions and Angola's Marxist government rarely comments on claims by Unita, which has fought the Soviet- and Cuban-backed government since the country became independent from Portugal in 1975.



A young man lies between the legs of a bull and another slips and is about to be gored during yesterday's bull run in Pamplona, Spain. (AFP telephoto)

Arms control included in Mitterrand-Gorbachev talks

MOSCOW (Reuters). — French President Francois Mitterrand began three days of talks with Soviet leader Mikhail Gorbachev that officials on both sides hope will help promote a better East-West atmosphere and give a push to arms control.

Mitterrand, who is the only major western leader to have kept up a top-level dialogue with the Kremlin in recent years, was greeted by President Andrei Gromyko when he arrived at Moscow's Vnukovo Airport.

Gorbachev later welcomed him on the steps of the Grand Palace in the Kremlin before starting the first of three long sessions of talks. The two were due to exchange speeches at a banquet later yesterday.

Mitterrand came to Moscow after talks with President Ronald Reagan in New York last Friday.

Though French officials strongly deny Mitterrand is playing a role as go-between, diplomats expected him to brief Gorbachev on Reagan's thinking on arms control — the main topic in superpower relations — and the issue of a new summit.

Gorbachev says he will meet Reagan again only if there is an agreement in prospect, but the Kremlin signalled last week that it was ready to start planning the meeting.

Mitterrand's visit returns a trip to Paris by Gorbachev last October and confirms the resumption of regular Franco-Soviet summits. The practice was broken off by the Socialist president in 1981 and restarted by him when he came to Moscow in 1984 to meet president Konstantin Chernenko.

Italian plane explodes during storm, killing 3

BIELLA, Italy (AP). — A light plane exploded in flames while trying to land during a thunderstorm over this northern Italian city, killing all three people aboard.

Civil aviation officials reported that the twin-engine Piper plane, which belonged to a private company, blew up late Sunday night.

U.S. team to inspect security at Athens Airport

ATHENS (Reuters). — A U.S. Congressional team arrived here yesterday to discuss anti-terrorism measures and inspect security at Athens Airport.

The six-man delegation of congressional aides is led by Robert Voyer of the House of Representatives.

Pakistan militants demand Islamic law

ISLAMABAD (APF). — Some 25,000 Moslem militants yesterday besieged the Pakistani parliament demanding "immediate" enforcement of Islamic religious law.

People in groups of hundreds and thousands started arriving in the capital from various parts of the country in the early morning after the newly set-up United Sharia Front (USF) called for a massive demonstration in front of the parliament building where a private bill on the subject was under discussion.

Bearded Moslems carrying ban-

FOREIGN NEWS IN BRIEF

2nd quake in fortnight jolts northwest Tibet

PEKING (APF). — An earthquake registering 6.3 on the Richter scale has jolted an area of Tibet, the second to be felt in Tibet in two weeks, the New China News Agency (NCNA) reported yesterday. The earthquake was detected by China's monitoring network at 20:24 GMT Sunday in northwestern Tibet, 100 kilometres north of the border with Indian Kashmir, NCNA quoted the state seismological bureau as saying.

An earthquake with magnitude six on the open-ended Richter scale can cause severe damage and a magnitude of seven can result in widespread heavy damage.

According to parliamentary sources, the private bill is full of holes and it would require many amendments in the country's constitution if implemented in its present form. President Mohammed Zia ul-Haq is to address a joint session of the two houses of parliament today on the bill.

Supporters of their demands swarmed over the parliament's lawn in an attempt to enter the building. But hundreds of riot police firmly guarded the gates.

Monteverde, together with an assistant judge and a six-strong jury will spend the next few days pondering their decision in the villa on the outskirts of this seaport.

State prosecutor Luigi Carli last week asked for life sentences for seven of the defendants, including the alleged ringleader of the hijackers, Magi el-Molik, who is accused of killing a crippled American passenger, Leon Klinghoffer.

Also recommended for a life sen-

Achille Lauro verdict likely this week

GENOA (Reuters). — The judge and jury at the trial of 15 men accused of being involved in the hijack last year of the Italian ship Achille Lauro yesterday retired to consider their verdict.

After a brief morning session, court president Lino Monteverde adjourned the trial, which opened on June 18.

Judicial sources said the court was not expected to return a verdict and pass sentence until Thursday at the earliest. Some 14 of the defendants

are Palestinians.

Monteverde, together with an



Philippines armed forces chief General Fidel Ramos (right) meets yesterday with two officials who led the surrender of some 200 soldiers to the government of President Corason Aquino. The soldiers earlier occupied the luxury Manila Hotel where Marcos's chief ally Arturo Tolentino on Sunday proclaimed himself acting president of the Philippines. The two (in camouflage jackets, from left) are Lt. Col. Danilo Venturina and Maj. Ananas David. (AFP telephoto)

COUP FLOPS

(Continued from Page One)

ing representatives from the President's Office and the ministries of justice and defence.

Earlier, Tolentino told reporters the rebellion was over and his remaining political supporters will walk out of the plush hotel at 6:30 a.m. today. He did not make clear whether the soldiers supporting him would go along with the decision, which was made after four hours of talks with a government representative, Col. Jaime Echeverria.

In answer to a question, Tolentino said he had no control over the military men.

President Aquino had yesterday

given the Tolentino group 24 hours to clear out of the hotel.

Tolentino and his political and military followers were almost the only people left in the hotel, besides reporters. All but one or two guests and most employees left the 500-room hotel after Tolentino announced his challenge.

Tolentino, who had been Marcos' running mate in the February elections confirmed he had received no assurances that the government would not file charges against him.

The government had agreed to withdraw all its troops from the area once the hotel was vacated. Echeverria told reporters.



BASKET: Doron Jamchee scores against Angola in the World Basketball Championships. Israel won this match 97-75, but went down last night to the USSR 114-77.

Israel thrashed by Russian giants

By YITZHAK KESTENBOUM

Special to The Jerusalem Post

EL FERROL. — If anyone dreamed that a miracle might take place in last night's encounter between Israel and the USSR, the world champions, in the World Basketball Championships (Group B) here, those dreams were rudely shattered as the irresistible Russians hammered home (114-77) their message that the age of miracles has passed. The Russians, fielding their best international team ever, were just too big, too strong and too fast for the Israelis.

This expected defeat does not ruin

Israel's chances of going through to the next round, as two top teams in each group do so. Israel plays Australia on Wednesday and Cuba on Thursday (both games at 11 p.m. Israeli time), and will come second if successful in these games.

For the Russians, their 21-year-old superstar, Arvids Sabors, 2.15 m. tall, opened up at centre despite being injured, rapidly put up 11 points, and then took a rest. Man-mountain Vladimir Tkachenko, also 2.38, played in the second half, and also netted 11 points.

The younger Israeli could only gaze in wonder when they came against either of these giants.

Israel's best players were Mikiel Berkowitz and Doron Jamchee (14 each), Lavonne Merer and Howard Lavoff (11 each).

Swiss win 7-Nations Meet

By PAUL KOHN

TEL AVIV. — Switzerland won the Seven Nations International Swim Meet here on Sunday, with Israel finishing second in the men's events but last among the women.

The Swiss men swimmers amassed 142 points, ahead of Israel with 137, Norway 117, Belgium 89, Wales 83, Ireland 55 and Finland 52 points. The Norwegian girls were best with 138 points, before Belgium 132, Switzerland 126, Finland 92, Wales 85, Ireland 55 and Israel 52 points.

Israel's national swimming team coach Noah Ram said he was "not happy" with the performance of his swimmers. "I expected several new

Swiss and personal records in this competition," he said. Only Seguy Porath and Eyal Stigman gained places in the world swimming championships in Madrid next month.

Porath was the only swimmer to set a new Israel record when he covered the 1,500 m. free style in 15:48.72, when second in the event to Anthony Day of Wales. His time beat the previous record held by Amir Ganiel. Porath won the 400 m. freestyle in 4:01.40.

Yechiel Lifchitz won both the 200 m. and 400 m. individual medley, and Israel won the men's 4x200 relay.

In water polo, the Israel squad remained unbeaten, defeating Belgium 13-7 in the final game.

Shlomo nearly makes Board

By JACK LEON

TEL AVIV. — Shlomo Glickstein has narrowly missed election to the Association of Tennis Professionals Board of Directors. His popularity with fellow-players resulted in the Israeli star coming sixth among the 21 candidates for five places on the board. The election was held at Wimbledon during the cham-

pionships there. The ATP, set up in 1972 as the players' trade union, now has some 500 members.

Glickstein — standing for the first time — received 35 votes and was piped to the post by Ricardo Acuna of Chile, Andreu and Franco's Yassiel Noak were in fact the only newcomers to be elected. Joining them were three men re-elected for a second two-year term, outgoing ATP president Matt Doyle (Ireland), association treasurer Mike Eaton (U.S.) and Carlos Krumey (Brazil).

India limit England in last Test

BIRMINGHAM (APF). — Young

paceman Chetan Sharma, one of the major successes on the Indian tour of England this summer, has set up the chance of a clean sweep for the tourists in the three-match series, contributing largely to England making only 231, for 9 at stumps in the final Test here yesterday.

The 20-year-old Sharma, who took four wickets in the first innings, went on to take the fourth of the final Test at Edgbaston here on Monday to instigate an England collapse to 231 for nine by stumps, a lead of 231.

Sharma dismissed Graham Gooch to a controversial LBW decision for 40. David Gower to a slip catch for 26, Bill Athey and Bruce French to catches behind for 38 and one respectively, and slipper and first innings hero Mike Gatting lay before for 26.

Gooch briefly but gloriously recovered his best form today when he blasted 40 runs from 43 balls. Athey made 30.

Baseball: Sunday

American League: Boston 7, Seattle 3; Chicago 5, New York 2; Detroit 5, Texas 2; California 6, Toronto 2; Baltimore 1, Minnesota 6; Oakland 6, Milwaukee 3; Cleveland 5, Kansas City 6.

National League: Montreal 11, Atlanta 8; Philadelphia 12, Cincinnati 5; New York 5, Houston 3; Los Angeles 4, Pittsburgh 3 and San Diego 2, Chicago 1.

Bowls final

LAWN BOWLS — The final of the Israel Bowls Association's inaugural mixed four national championships is being played off today at the Netanya Bowling Club's Wingate Institute green, starting at 3 p.m.

SCOREBOARD

ATHLETICS. — Robert Emmett (Ireland) set a new European long jump record of 8.61 m. in the Goodwill Games in Moscow.

GOLF. — Severiano Ballesteros won the French Open with 269, followed by Vicente Fernandez 271 and Bernhard Langer 272. Amy Alton and Lauren Howe tied on 254 in the Sugarland Hall of Fame tournament.

WIMBLEDON: Mixed Doubles: Flach Jordan b. Norstlitz & Genthard 6-3, 6-4 (7-5). Over 38 men's Doubles: Steven Stewart b. Dibles, Fild & Noll. Boys' Singles: Veler b. Sanchez 6-3, 7-5.

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HOME AND FOREIGN NEWS

Patient describes the chaos after the nurses left Bedlam in a psychiatric ward

By MENACHEM SHALEV
For The Jerusalem Post

G.F. was admitted to a psychiatric institution near Tel Aviv two days before the nurses' strike began. She had suffered a nervous breakdown and was to have been under observation. But she was released within a week. During that time, nurses abandoned the closed ward to which she had been assigned. This is her description of those days:

"On Monday morning, the nurses left the ward. Immediately, all hell broke loose. The patients, who constantly cry out for attention, immediately felt that something was different. Many of those in the ward could not control their bowel movements. In the past, they were usually given clean bed linen within an hour. When the nurses went, they were left in their beds with no help in sight. Some were defecating on the floor. By the second day, the floors were

not being cleaned and the stench was awful.

"The patients live by their routine. The strike totally disrupted their daily timetable. Medications were headed out much later than usual, food was not delivered or prepared on time. As each hour went by, the bedlam increased.

"There was one nurse on duty, but she was constantly called away to staff meetings about the strike. Patients who were more in control of themselves immediately took advantage of the situation. They stole supplies off the nurses' trolley, which was left unattended.

"At night, medical students who do shift work at the institution were on duty, but there was much more help. The problem is that the patients' instructions and distress came out at night, and nobody could sleep. One patient started shouting for his mother, another screamed at his wife. They woke up the other patients, including those in other

wards. Then they started shouting at each other. The students tried to restore calm by turning on the television, which was broadcasting World Cup football games. The noise was unbelievable: football commentaries, shouts, screams, mumbling and cries for help.

"The auxiliary staff were doing their best to keep matters under control, but they obviously did not know how to go about the job.

"I soon found myself washing patients, changing bedsheets, and so on.

"At some point, it really got to me: I started crying. There was no one to call out to, no one who could help. And there were elderly patients crying out because of pressure sores caused by no one turning them over.

"Perhaps it's self-evident, but it was a real madhouse, a full-fledged lunatic asylum. It had all become much, much worse than it was when I entered and the nurses were still there to help.

WJC claims newly-found document proves:

Waldheim's unit ordered Jews deported from Greece to Auschwitz

By ERNIE MEYER
Jerusalem Post Reporter

World Jewish Congress (WJC) President Edgar Bronfman yesterday released a document found only six days ago which he said proved that the German intelligence unit in which Austrian president-elect Kurt Waldheim had served during World War II had ordered the deportation of Greek Jews to Auschwitz.

Speaking at a WJC executive meeting here on the eve of Waldheim's inauguration today, Bronfman said: "It is not our purpose to interfere with Austrian politics. Our purpose is to expose an amoral opportunist and liar. We're aghast that the two-time UN secretary-general now gets another honour he does not deserve, although this is Austria's problem."

Asked about the piecemeal manner in which the WJC has released documents implicating Waldheim in war crimes, Bronfman said: "We," and then he corrected himself, "I decided not to be deterred by this. The WJC is not overstuffed. We had to hire outside help and the evidence is scattered in archives all over the world. We may have caused the press some trouble and reporters may wonder what is coming next. We wonder too."

Reporters were given facsimiles of

a "Report of Activities" covering the period July 1-September 15, 1944, for the area of the Eastern Aegean. According to the secret Abwehr (counter-espionage) report, the deportation of the Jews of Crete and Rhodes in 1944 was carried out "upon instructions" of Waldheim's intelligence headquarters in Greece — the IoAO — in which Waldheim was the top assistant.

The relevant paragraph reads: "Deportation of Jews (Judenabschub, literally — the shoving away of Jews). End of July 1944. Deportation of Jews not holding Turkish citizenship in the entire command territory of the Eastern Aegean, upon instructions of the High Command of Army Group E, IoAO."

The documents, located in the Federal Archives in Freiburg, West Germany, indicate that Waldheim's intelligence headquarters ordered the deportations. Specifically, a document dated September 22, 1944, reports on the instructions ordered by the IoAO at Waldheim's headquarters.

These documents are at odds with Waldheim's repeated claims that he did not know of such deportations. In a letter to Bronfman on March 1, 1985, Waldheim said he had never been informed about deportations

of Greek Jews.

The Jews of Crete and Rhodes, some 2,500 men, women and children, arrived in Auschwitz by mid-August. Nearly all of them perished. The intelligence report sent to Waldheim's unit on August 11, 1944, notes that the deportations were received by the Greeks and by Italians there "with mixed feelings."

The brief paragraph about the deportation of Jews follows others dealing with such matters as counter-espionage, sabotage, Wehrmacht soldiers absent without leave and deserting, fighting enemy propaganda and the supervision of the civilian population.

Bronfman said the WJC's search for further incriminating documents would go on. "I believe in a reconciliation between the Jews and Austria, the same as with Germany," he said.

The AJC has dropped Austria from its tours because of Waldheim's election, the organization's international travel director Geoffrey Weill said in New York yesterday, according to the French news agency.

Weill said that Waldheim's election had "made it impossible for (AJC) members to feel comfortable" in Austria, which, he said, had been "a highly popular choice for AJC's tour groups in the past."

Offensive remarks greet Waldheim protesters

By ILONA HENRY
Jerusalem Post Correspondent

VIENNA. — One hundred metres from the Austrian chancellor's office here a group of Jews and Christians wearing black-and-white striped suits sat yesterday in protest against Kurt Waldheim's inauguration, due today.

Rabbi Avi Weiss, Beate Klarsfeld, Sister Rose Thering and Glen Richter sat opposite Ballhausplatz and sang, prayed and argued with passers-by. David Bossman, a Catholic priest from New Jersey, said that at one point an Austrian had been overheard to suggest that the way to deal with the group was to "hang them up on the next lantern, that's what we should do."

Austrians made repeatedly aggressive comments to the protesters, mainly in defence of Waldheim. "You [Jews] are getting too loud again," one said. "You are harming yourselves with all this."

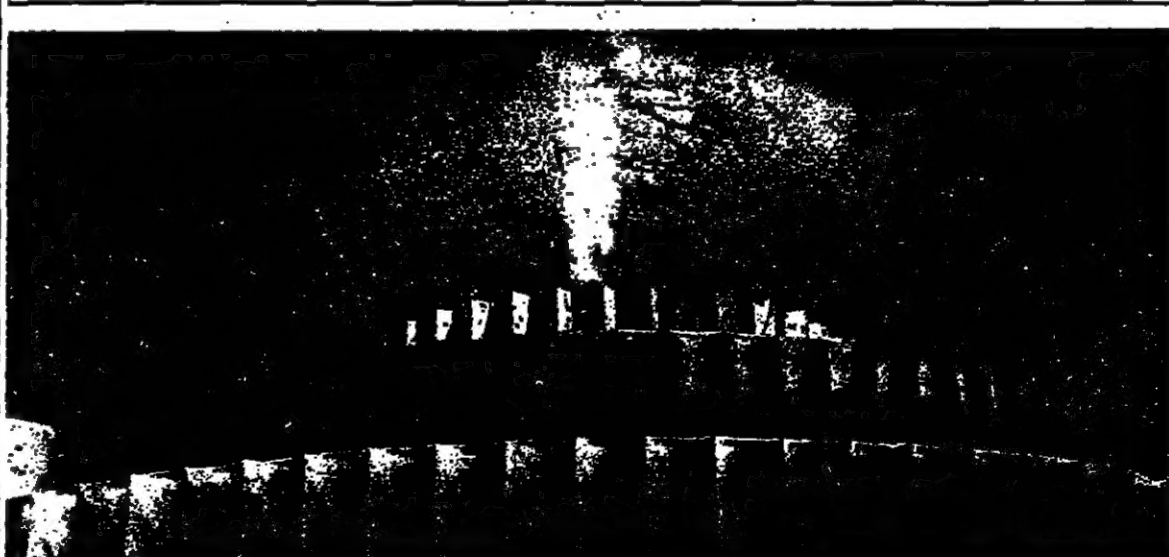
The priest and the nun each wore a yellow Star of David on their clothing. They said that too many Christians had kept silent during the Holocaust and that they now wanted to speak up in time.

Meanwhile, inside the building, the UN conference on Namibia opened. But attention was diverted from its proceedings by rumours that former Austrian chancellor Bruno Kreisky might mediate between PLO Chairman Yasser Arafat and Syrian Vice President Abdul-Halim Khaddam. All three are at the conference.

Speculation about such a reconciliation sparked interest because, before leaving Baghdad for Vienna, Arafat had attacked the Syrian government for wanting to "slaughter" the Palestinian people.

Arafat, who was accompanied by Farouk Kaddoumi, the PLO's "foreign minister," and Zehdi Terzi, its permanent observer at the UN, was to address the conference yesterday afternoon.

Upon arrival, Arafat said the gathering was important to the PLO because the "common enemy of Swaziland and the PLO is South Africa and Tel Aviv; and liberation movements have to stick together."



Ya'acov Agam's kinetic sculpture "Fire and Water" goes into operation at Tel Aviv's Dizengoff Circle yesterday. Its constantly moving horizontal circles create changing patterns of colour. (IPPA)

Many problems remain despite increased gov't aid

Universities still face \$60m. debt

By CHARLES HOFFMAN
Jerusalem Post Reporter

The slight increase in government support for the universities over the past two years has not solved some of their major problems, nor relieved the costly burden of servicing the \$60 million debt accumulated due to the drastic government budget cuts of 1982-84.

"The situation could be better, but it was a lot worse," was the assessment offered yesterday by the universities' budgets by the director of the Council for Higher Education, Simcha Landau.

He said in an interview that needs were still acute in several areas, despite the moderate rise in government funding during the past two academic years.

□ There are 70,000 students in the system, compared to 60,000 in 1980, and the teacher-student ratio has worsened, especially at the BA level.

□ There is a backlog of needs for new books and equipment which could not be purchased during the 1982-84 cut-backs. Most of these items must be bought with foreign currency.

□ Many senior faculty are due to retire in the next decade, and too few younger teachers have been trained to take their place. Hundreds of junior faculty were dismissed during the cut-backs, and there are not enough funds available to hire more.

□ Basic research has suffered since the early 1980s. Much larger government support is needed to produce advances.

□ Interest on the universities' \$60m. debt eats up at least \$3m. a year, and there is no sign that the government is ready to consolidate the debt.

On the positive side, the universities' endowment funds have grown

from \$120m. in 1980 to \$350m. in 1985.

The government and the Jewish Agency provide \$240m. of the regular higher education budget of about \$350m. a year; about \$35m. comes from donations and the rest from other sources. Another \$80-100m. is spent on research and other needs.

The government's share has dropped since the early 1980s, but this has been partially offset by increased donations and endowment funds. Landau was "cautiously optimistic" that the government would increase its support in 1987/88.

4,500 youths in Gadna

Over 4,500 teenagers will take part in Gadna programmes this summer at bases throughout the country. Many children of Israeli emigrants in the U.S. and Canada will join the programmes.

Increased efficiency could save J'lem power firm

By BERNARD JOSEPHS

The Arab-owned Jerusalem District Electric Company (JDEC) could be saved from financial collapse if its management would take far-reaching efficiency measures, a report said yesterday.

The document, prepared for Energy Minister Moshe Shahal, said the company should close its Shufat power plant and take steps to reduce the great amount of electricity it loses from its grid.

The future of the JDEC has become a political issue in recent months, with its chairman, former Jordanian defence minister Anwar Nusseibeh claiming that Israel is trying to hamper its development. Israeli officials have denied the charge.

The report, by economist Dr. Dan Givoli, says the JDEC, which owes the Israel Electric Corporation (IEC) some \$18 million, could immediately cut its deficit by \$3.4m. a year by closing its Shufat generator.

The running of the plant could not be justified economically, he said. It produced only 4 per cent of the electricity used by the company, the rest being bought from the IEC.

Givoli pointed out that the JDEC loses some 14 per cent of its electricity, "an unacceptable figure by both local and world standards."

If the losses, due largely to the poor condition of its equipment, could be cut to 12 per cent, the company's running deficit would be wiped out.

Reducing losses to 5 per cent would allow the JDEC to make an operating profit of \$1.4m. a year, said the report.

The company, which provides power to some

200 jobless grab chance to work in Eilat hotels

HAIFA (Ium). — Over 200 recently discharged soldiers and other unemployed young people from the north are to train for work in Eilat's hotels and tourist industry.

The project was organized by the government's Employment Service, primarily to create an alternative labour force to replace the many foreign workers staffing Eilat hotels.

Begun 54 tomorrow

Prisoner of Zion Yosef Begun's 54th birthday will be marked here today and tomorrow in several events.

This afternoon, 18 trees (symbolizing life, in Hebrew) will be planted in Begun's honour in Jerusalem's East Talpiot park.

Kibbutz Ma'agan Michael will hold an evening of lectures in Begun's honour on Wednesday evening.

Begun himself, in deteriorating health, will spend his birthday tomorrow in a Soviet prison under especially difficult conditions.

Yosef Begun

AIRPORT. — Construction of a sixth international airport in the United Arab Emirates (Pop.: 1.6 million) will be completed in December this year in Fujairah, the head of the Emirate's aviation department said in Abu Dhabi yesterday.

مكتبة الاصل

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Mixed
Opinions

The Supreme Court Works at its Mandate

By STUART TAYLOR Jr.

HANDING down major decisions last week on homosexual relations, gerrymandering and affirmative action, among others, the Supreme Court also had important things to say about its role in governing the nation.

Important, but deeply discordant — and, some said, inconsistent.

In the face of the most determined push by any Administration in 50 years to curb the power of judges to set social policy, the Court dealt a major defeat to the Reagan Administration in two affirmative action cases. But in those, as in some of the other hard cases, it could achieve no consensus on what the law is or what its own mission should be.

The Court's ambivalence about what the law is was evident once again in its reluctant embrace of affirmative action. A solid majority of the Court firmly rejected the major premise of the Administration's civil rights policies — that court-ordered racial preferences in hiring and promotion are illegal except to benefit individuals who were personally victims of discrimination. A solid majority also stressed that judges should impose affirmative action only as a last-ditch remedy for "egregious" discrimination, and renounced rigid "quotas."

But the 5-to-4 vote in a case involving a New York City sheet metal workers' local upheld a court-ordered 29.23 percent "goal" for minority membership in the union. And a 6-to-3 vote in a case involving firefighters in Cleveland gave lower courts broad latitude to approve consent decrees that include racial preferences. The practical effect of the decisions will be to insulate from challenge many employment plans the details of which the Court might not itself approve.

The Court's ambivalence about what its mission should be was encapsulated in two decisions handed down together, both announced by Justice Byron R. White. In one, the Court took a narrow view of its role in

protecting privacy, ruling, 5 to 4, that the Constitution does not protect homosexual relations between consenting adults, even in their own homes, from prosecution. In the other, it assumed, 6 to 3, the power to obliterate election districts anywhere in the nation if a dominant political party in a state legislature has drawn them so as to "consistently degrade" its rivals' voting strength.

Two Decisions, Two Views

Superficially unrelated, both cases raised in its starkest form a question that lies in the background of every constitutional decision: What mandate has a group of unelected, life-tenured judges to strike down democratically enacted laws?

None at all, Justice White said, when no more is at stake than the interest of homosexuals in conducting their intimate relationships as they please. His majority opinion upheld — as applied to homosexuals — a Georgia law making any oral or anal sex a criminal offense.

Whether such laws "are wise or desirable" was beside the point, he said: "The Court is most vulnerable and comes nearest to illegitimacy when it deals with judge-made law."

In a majority opinion reminiscent of his recent dissent calling for the Court to abandon its decisions permitting abortion, Justice White dismissed, almost scornfully, arguments for extending the Court's line of precedents recognizing a vague right of sexual privacy. Citing the "ancient roots" of sodomy laws, he characterized as "facetious" any claim that a right to engage in such conduct was secured by the Fourteenth Amendment's general protection of "liberty."

But in the gerrymandering case, Justice White abandoned judicial restraint for a bold new judicial incursion into what he called the "most political of legislative functions," the drawing of election district lines. Despite the "ancient roots" of partisan gerrymandering — it began before the term was coined in 1812 — last week was the first time the Supreme Court has asserted the power to do anything about it. While the Court upheld, 7 to 2, the specific Indiana redistricting plan in the case, Justice

White led the way in asserting the power to decide such cases, citing the Fourteenth Amendment's guarantee of "equal protection of the laws."

He did not suggest the authors of those words intended to outlaw partisan gerrymanders. Rather, he used the traditional process of extending the logic of precedents step by step into new frontiers. The building blocks were the Court's "one person, one vote" decisions and those banning racial gerrymandering.

Justice White's technique was remarkably similar to the arguments made in the Georgia case — by the four

dissenters — for extending to homosexual relations the Court's protection of sexual privacy. Indeed, all four joined him in asserting judicial power over gerrymandering. But three of the four who joined Justice White in the sodomy case accused him in the gerrymandering case of "reflexive application of precedent."

"I do not believe, and the Court offers not a shred of evidence to suggest," wrote Justice Sandra Day O'Connor, "that the Framers of the Constitution intended the judicial power to encompass the making of such fundamental choices about how this Nation is to be governed."

Making Law at the End of Term

GERRYMANDERING. The Court ruled 6 to 3 that manipulation of election district lines by the majority in a state legislature violates the Constitution when it "consistently degrades" the voting power of other parties. But it upheld the Indiana districts in question on the ground that the gerrymandering was not so severe as to be unconstitutional.

VOTING RIGHTS. Rejecting the Reagan Administration's narrow interpretation of the 1962 amendments to the Voting Rights Act, the Court, as Congressional leaders of both parties urged, unanimously struck down four North Carolina election districts that diluted black voting power. By 6 to 3, it upheld a fifth district.

AFFIRMATIVE ACTION. Rejecting the Administration's civil rights arguments, the Court upheld, 5 to 4, a numerical membership goal imposed by a judge on a New York City union and declined, 6 to 3, to overturn a Cleveland plan preferentially promoting minority firefighters.

SEXUAL PRIVACY. In upholding, 5 to 4, a Georgia sodomy law that makes any oral or anal sex a crime, the Court ruled that the Constitution does not protect private homosexual relations between consenting adults. But the Justices declined to say whether the Constitution would protect heterosexual couples from prosecution under the same law.

THE FIRST AMENDMENT. By deciding, 5 to 4, that Puerto Rico may ban local advertising of casino gambling, the Court limited its protection of commercial speech, suggesting that states may also restrict advertising of liquor, cigarettes and other products that are legal but considered harmful. But in a 7 to 2 ruling, the Court extended to pretrial hearings its recognition of a qualified First Amendment right to attend criminal trials.

STILL TO COME... The Court has not yet ruled on the automatic deficit-reducing mechanism in the balanced budget law known as Gramm-Rudman-Hollings. The Court's term is due to end this week.

For Liberty's
100th Year,
The Biggest
Party Ever

America celebrated itself this weekend in a style which, whether deemed appropriately grand or embarrassingly excessive, was undeniably stunning. With President Reagan leading the cheers, millions of spectators ringed New York harbor on the Fourth of July for the 100th birthday of the Statue of Liberty.

Naval guns boomed, fighter planes screamed overhead, stately windjammers paraded, hands played, bells rang, fireworks exploded, politicians spoke and hucksters cajoled in a two-day extravaganza that was at once gaudy as a carnival, sentimental as a Rockwell, and serious as war.

Thursday evening, Mr. Reagan pushed the button that "unveiled" the newly refurbished Miss Liberty in stages, lifting the darkness from her with lasers and, finally, lighting her torch. People wept.

"We are the keepers of the flame of liberty; we hold it high for the world to see," the President said. French President François Mitterrand, whose nation presented the statue in 1886, said, "May our children's children find themselves celebrating together in 100 years' time."

Thousands of pigeons and balloons were released, 25,000 new citizens — 200 of them on Ellis Island — were sworn in around the country, and more than 30,000 small craft formed an impromptu armada in the harbor. Seats on Governor's Island cost \$5,000 each, but the sights could also be taken in during a 25-cent ride on the Staten Island Ferry.

The climax came Friday night when 40,000 pyrotechnic devices



James R. Jones

were set off in a nonstop 28-minute cannonade, a breath-taking display that was the biggest such show ever put on in American history. The two million spectators oohed and aahed as one, mesmerized by the violent beauty exploding in the night sky.

Not all was beauty and light, however, as some felt duty-bound to all attention to America's shortcomings. Speaking at a demonstration by the National Coalition for the Homeless, the Rev. Jesse Jackson said Lady Liberty had

been betrayed on the eve of her birthday by the "national scandal" of homelessness. But the dominant tone was set by President Reagan, aboard the battleship Iowa, one of 33 ships from 14 navies that brought 20,000 sailors to the party. Beaming with pride, he said, "The things that unite us — America's past, of which we are so proud, our hopes and aspirations for the future of the world and this much-loved country — these things far outweigh what little divides us."

President Says He Is 'Optimistic' on Arms Control

Reagan and Gorbachev
Seem Closer to Setting a Date

By LESLIE H. GELB

SOVIENT and American leaders are indicating by their public statements that there will probably be a summit meeting in this country late this year or early next year between President Reagan and Mikhail S. Gorbachev, the Soviet leader.

That is the judgment of a number of Reagan Administration officials, setting a positive mood affirmed by the President on Friday during a talk with President François Mitterrand of France. Mr. Reagan was quoted as saying that "I believe the Soviets may be more serious than ever before about working out an agreement." Earlier, Mr. Reagan also had said that new Soviet arms control proposals "make me optimistic that we're not only going to have a summit, but we're going to have a summit where we can reach agreement on some of the goals that we share."

At the same time, most of the Administration officials find themselves thrown off balance by much of what Soviet leaders said last week. Mr. Gorbachev lambasted the Administration publicly only days after he sent a very conciliatory private letter to Mr. Reagan. A top Soviet diplomat talked publicly about a Soviet proposal for a foreign ministers pre-summit organization meeting that Administration officials had not heard about through diplomatic channels.

In general, Moscow was talking up arms control and playing down the summit. The reaction from the White House was that the President is ready to meet any time after the November elections, probably not before December. As always, there are different interpretations of what the Russians are up to. The civilian leaders in the Pentagon insist that Moscow is basically conducting a propaganda exercise. They argue that the latest Soviet concessions in the Geneva arms negotiations are more show than substance. They see the Soviet strategy as an effort to use the prospect of a summit to pry real concessions from Washington on arms control. They also say the new arms compromises offered by Moscow are a ploy to separate the United States from its European allies.

One group of analysts in the State Department thinks this is giving Moscow more credit for coherence than it deserves. To them, the Kremlin is probably as divided on these matters as the Reagan Administration, which is to say, a lot. A number of White House officials find themselves somewhere between this State Department group and the Pentagon skeptics.

Yet another group of State Department officials holds that Mr. Gorbachev's team wants to improve relations with the United States, and genuinely wants an arms treaty. As far as this group is concerned, the motivations are principally to avoid a costly military competition with the United States at a time of economic difficulties at home.

But, so members of this group argue, this should not deter Washington from taking new Soviet moves seriously and responding in kind. Sure, they say, Moscow hopes to use the summit as leverage on these issues, but that can work both ways.

After yet another week of hefty rhetoric, there was evidence to support the various interpretations. Pentagon civilians and a few other officials aside, there was little question among most Administration arms experts that Moscow has now made an offer in Geneva that Mr. Reagan should take seriously, an offer that clearly sets the stage for what the experts like to call a "grand compromise." This would entail both sides agreeing to limit sharply the quest for space-based missile defenses for a number of years while both begin deep reductions in offensive forces.

A broad agreement along these lines could be hammered out in a few months and thus be ready as the centerpiece for a summit meeting. In addition, Mr. Gorbachev has told Mr. Reagan in a letter that he is prepared to make compromises on medium-range missiles as well. Publicly, Mr. Gorbachev accused Washington of delaying on arms control. But, in private, Moscow proposed a meeting in Geneva next month to discuss this issue.

Vladimir F. Petrovsky, a Deputy Foreign Minister, added a little confusion, telling reporters in Moscow that his government had proposed rescheduling a meeting between Soviet Foreign Minister Eduard A. Shevardnadze and Secretary of State George P. Shultz that had been set for May to get the summit process started. Moscow canceled after the American bombing of Libya. This announcement caught Administration officials by surprise, and they said they knew nothing about it. But later in the week, it appeared that the prospect for a pre-summit meeting was alive again.



The World

Six Killed in General Strike in Chile

A coalition of 18 Chilean professional, labor, student and other groups had tried for two months to launch a dialogue about democracy with the 13-year-old Government of Gen. Augusto Pinochet. Their letters went unanswered, so last week the coalition, known as the Assembly of Civilty, called a two-day general strike.

That provoked a different sort of hostility. Police and soldiers broke up gatherings with riot sticks, tear gas and water cannons. The police said six people were killed, about 50 wounded.

The organizers had appealed for a peaceful demonstration, but roads were barricaded and buses were stoned in poor neighborhoods where leftist militants have been active. The strike headquarters said two young men were seized and set afire by men in uniform; they were later taken to a hospital, reportedly in critical condition.

More than 500 people were detained, although most of them for only brief periods. The Government also brought charges of security violations against the organizers, Dr. Juan Luis González and 16 other members of the Assembly of Civilty, as well as the editors of two weekly magazines accused of encouraging the strike. Four radio stations were ordered to omit all news broadcasts.

Strike leaders conceded that the strike had failed to bring the country's economy to a complete halt. But they asserted that it had called the attention of the Government and armed forces to the need to negotiate about Chile's future.

General Pinochet said the strike had accomplished nothing but to foment anarchy.

Jaruzelski Takes Center Stage

Poland, as Gen. Wojciech Jaruzelski sees it, is now so thoroughly "normal" that some of the more than 300 people locked up for political crimes can be amnestied. But the Polish leader's offer last week was limited to "perpetrators of certain categories of offenses." Well-known activ-

ists such as Zbigniew Bujak, the Solidarity underground leader arrested May 31, may remain behind bars.

Addressing 1,800 delegates at the first Polish party congress since Solidarity was crushed by martial law in December 1981, General Jaruzelski said the opposition was "disintegrating and isolated."

Mikhail S. Gorbachev, the visiting Soviet party chief, applauded, thus undercutting the General's critics inside the Polish party. Mr. Jaruzelski was re-elected as First Secretary and three generals close to him were added to the 15-member Politburo.

Mr. Gorbachev lauded Mr. Jaruzelski for "his energy and political insight, breadth of approach and ability to find solutions to very complex problems."

U.S., Cuba to Talk Over Immigration

Relations between the United States and Cuba have been strained in recent years, but last week Washington and Havana agreed to discuss the revival of a 1984 immigration pact.

Reagan Administration officials said that the meeting would be this week in Mexico City.

The immigration agreement was suspended by Cuba in May 1985, after Radio Martí, a Voice of America station, began broadcasts to Cuba. The Havana Government said the use of the name of José Martí, the Cuban independence hero and poet, was a "gross insult."

The Mexico City talks were expected to cover both immigration and the radio station.

The 1984 agreement was a result of the 1980 flight of 125,000 Cubans sailing from the port of Mariel to the United States. About 2,700 of these were criminals or mentally ill people known as "excludables," and many were confined to prisons and mental institutions in this country.

Under the agreement, Cuba was to take back the 2,700; the United States said it would admit about 3,000 former Cuban political prisoners and their families, and resume normal immigration of Cubans to this country.

There was no immediate comment on the talks from the Government of Fidel Castro.

Milt Freudenheim,
James F. Clarity
and Richard Levine

Bearing Down on Dissidents

Opponents of Sandinistas Struggle to Have Their Say

By STEPHEN KINZER

MANAGUA, NICARAGUA
FOR opposition leaders here, last week might have seemed a good time to remain quiet. The Government had just shut the country's only anti-Sandinista newspaper, La Prensa. Then, for the first time, it issued an order stripping a native Nicaraguan priest of the right to return home from abroad. The priest, the Rev. Bismarck Carballo, had been spokesman for the Roman Catholic Primate, Miguel Cardinal Obando y Bravo, and was apparently being punished for political opinions.

To add to the ominous, Commander Bayardo Arce Castaño, one of the nine uniformed Sandinistas who run the country, said Tuesday that the approval in Washington of \$100 million in aid to anti-Sandinista rebels opened a new political phase in the country. Opposition parties, he said, could continue to exist, but could be penalized if they wrote that "what Reagan does is very good," or that the fighting in the country is a civil war. Civilian opposition groups, lacking a single leader with a national following, held a news conference to denounce the Government and its latest actions.

And the opposition showed that while it is no match for the Sandinistas as a force in national affairs it is still alive and somewhat defiant. "If this isn't a civil war, let them tell us what it is," said Sergio Torres Oregario, a Conservative member of the National Assembly. In their statement, the opposition leaders said they were "extremely alarmed" that the Sandinistas were threatening the opposition with "jail, exile, loss of citizenship and even death if they do not adopt positions favorable to the armed governing party." The country's most prominent business leader, Enrique Bolaños Geyer, recalled the atmosphere at a 1981 news conference at which businessmen signed an appeal to the Sandinistas, then several of them were jailed.

Although they say they fear that the Government could lash out at them at any moment, anti-Sandin-

ista activists within Nicaragua appear determined to continue their political work. They said last week they would not allow fear of detention to deter them. "Now there is all the more motivation," said Erick Ramírez, head of the Social Christian party. His party and others continue to conduct meetings in many parts of the country, despite harassment and threats.

With the disappearance of La Prensa, party leaders will likely take on some of the function that town-criers used to have, bringing news of faraway events. The size of their audiences is limited, however, because political meetings may only be held indoors.

And if the news conference at which opposition leaders spoke showed their courage, it also reflected their weakness and disunity. Because of intramural bickering, the two traditional parties in the country, the Liberals and Conservatives, have not been able to form an alliance with the Social Christians and Social Democrats.

As a perhaps unintended result of Sandinista censorship, the three leaders of the rebel insurgency, whose names are heard on foreign radio broadcasts — Arturo José Cruz, Alfonso Robelo Callejas and Adolfo Calero Porcarrero — are probably better known in Nicaragua than any civilian dissidents now living in Nicaragua.

Perhaps the strongest opposition group is the Roman Catholic bishops, who continue to exercise a profound influence over the faithful in this deeply religious country. The bishops, scorned by the Sandinistas as virtual traitors, are respected and even revered by many poor people. One of the bishops most frequently attacked by the Government, Pablo Antonio Vega, said Wednesday that discontent in Nicaragua "is provoked by a system which does not allow freedom of expression." Earlier, President Daniel Ortega Saavedra had said his Government would continue to respect press freedom. On Friday, his Government expelled Bishop Vega, saying he was with those "whose place is at the side of Reagan and the mercenary bands."

Observations on the Shin Beth and Pollard Cases



Foreign Minister Yitzhak Shamir (left) and Prime Minister Shimon Peres in the Israeli Parliament last week as the Shin Beth scandal was discussed.

Israel's Highest Law Is Still National Security

By THOMAS L. FRIEDMAN

JERUSALEM
ON the surface, there seems to be little similarity between the two notorious affairs involving the Israeli security-intelligence establishment — the Shin Beth case here and the Pollard case in Washington. But in fact both affairs reflect some very basic Israeli attitudes toward decision-making, the conflict between maintaining security and the law and how the establishment takes care of its own.

Both affairs began when Yitzhak Shamir was Prime Minister. In the case of Israel's domestic security service, the Shin Beth, its chief, Avraham Shalom, has stated that all his actions — he has been accused of ordering the murder of two captured Palestinian bus hijackers in April 1984 and a subsequent cover-up — were taken with the approval of the political leadership at the time. Specifically, Mr. Shalom has been quoted as saying the authorization came from Mr. Shamir.

Mr. Shamir, who is now Foreign Minister,

denies this. The Israeli espionage ring in Washington was conducted with the help of Navy analyst Jonathan Jay Pollard, but Mr. Shamir says he had no knowledge of the spy operation. This appeared to raise serious questions about his Government's control over its defense establishment.

While both cases began on Mr. Shamir's watch, they were exposed later — after Shimon Peres became Prime Minister. Critics charge that Mr. Peres did not deal decisively with either affair when it first arose, and as a result they festered and became more complicated. When Mr. Shalom's top deputy, Reuven Hazak, went to Mr. Peres in October and told him that the head of the Shin Beth had engaged in serious misdeeds, Mr. Peres decided that Mr. Shalom was innocent and chose not to dismiss him or his aides. Instead, Mr. Peres allowed Mr. Shalom to fire his accuser, Mr. Hazak. Nor did the Prime Minister ever inform the attorney general that some very serious crimes may have been committed by Mr. Shalom and some of his aides. The attorney general found out three months later on his own and set in motion a legal process that was could only

be stopped by the President, Chaim Herzog, who did stop it by granting what some Israeli lawyers believe to be a highly questionable pardon to Mr. Shalom. Last week, Israel's Supreme Court ordered the Government to explain why the Shin Beth should not be investigated.

When the Pollard affair was exposed in November, Mr. Peres and his colleagues said they investigated what happened and informed the Americans that it was a "rogue" operation. However, according to government sources, it appears that the Israeli leaders did not investigate the affair fully and were themselves surprised to find that the head of the allegedly rogue operation, Rafael Eitan, had not told them of several key details, particularly the extent of involvement of an air force officer, Col. Avirom Sella. The Justice Department said in Washington last week that it might indict him. By not getting to the bottom of the affair from the start, Israel seems to have embarrassed itself with Washington and left some doubts about its original explanations.

Another similarity between the two scandals is how the men responsible were punished for their misdeeds: Mr. Eitan by being made chairman of one of Israel's largest state-owned concerns, Israel Chemicals, and Mr. Shalom by being given a presidential pardon. In both cases the political establishment justified the silky treatment by saying that the two men had served the state's security for so long that they could hardly be punished. Both Mr. Eitan and Mr. Shalom were part of the Israeli defense establishment, which has essentially been running the country for the last 30 years. Said one Israeli writer: "The elite tribe gathered together to protect its own. Personal accountability gave way to personal loyalties."

The manner in which the two men were treated also reflected the fact that Israel in many ways is still a very informal, young, frontier democracy where there is a tendency to cut corners in the rush to get things done. This can be a real asset in state-building. But the common Israeli expression, "al tidag, yehiyeh beseder" — don't worry, it will be okay — also has tended to become an all-purpose justification for bending all kinds of rules, and this, say officials, has encouraged sloppiness and occasional accumulations of power without checks and balances.

"Building institutions that operate by strict rules, like in America, takes time," said Israeli political theorist Shlomo Avineri. "Jews have not exercised power for 2,000 years. In fact, they survived for all that time by learning how to escape the effect of the power of others. Now they are beginning to set the rules of the game through a process of trial and error."

Finally, in both affairs, the apparent mistakes of decision-makers were justified on security grounds, as was their insistence in both cases that the public had no right to know all the facts. When law and security clash, argued Mr. Shamir, security must carry the day. Israeli civil liberties groups agree that Israel has very legitimate security problems. But, they add, if the leadership justifies every action on security grounds — even mistaken ones — it will undermine the values of the society it is trying to protect and invite future abuses of power.

Guerrillas Are Divided and At Risk of Being Conquered



A guerrilla in Afghanistan; Dr. Najibullah, leader of Afghanistan Government (inset).

The Slow Motion War in Afghanistan

By ARTHUR BONNER

PESHAWAR, PAKISTAN
AS a new Communist leadership in Kabul tries to rebuild the army and gain popular support, the divided Afghan guerrilla movement still seems unable to pull itself together.

The fighting has reportedly been in a lull for months, feeding pessimism about the guerrillas' chances. A year has passed since seven main guerrilla groups based here yielded to pressure from Pakistan and formed an alliance. Yet they still have separate treasuries, enlistment rolls and supply lines. They have yet to fight a battle under unified command.

Meanwhile, under Dr. Najibullah (like many Afghans, he uses only one name), who on May 3 replaced Babrak Karmal as party General Secretary, seasoned Communist officials have been drafted into the army and politically connected defectors ended. The Soviet Union, which has had combat troops in Afghanistan since December, 1979, has been trying for years to create a creditable surrogate army, to minimize Soviet casualties and involvement. The first fruits were apparent in April, when Communist forces overran a major guerrilla base in Paktia province, near the Pakistan border. Only one of the 13 victorious units was Russian, guerrilla reports say.

Guerrilla activity has declined in recent months, largely because of the disunity, according to journalists and other observers of the war. Although the groups claim more than 200,000 men, only a few thousand are believed to be com-

batants, and then only intermittently. Thousands sit fully armed for weeks at bases in Pakistan, these observers say.

The guerrillas have not claimed a major initiative for six months. Of the dozen or so isolated battles they report each month, half are in response to enemy attacks. Most of the rest are long-range attacks using ground-to-ground missiles, or harassing attacks on convoys.

Government Attacks Limited

Because Afghanistan is closed to Western journalists, it is impossible to paint an overall picture of the military situation. Even journalists who accompany guerrilla units see only a small part of the country, which is the size of Texas; much depends on rumor and hearsay. Last week, for example, Western diplomats in Pakistan reported that the guerrillas had shot down a transport plane carrying 100 Soviet or Afghan soldiers. As usual, there was no confirmation.

During the same period, Government and Russian initiatives have been limited to strikes against guerrillas in the "sanitized" areas around Kabul and other cities and against their bases and supply lines along the Pakistan border. Most of Afghanistan has been left in peace. "If a mujahedeen [guerrilla] base became a threat they would smash it immediately, no matter what was happening elsewhere," a Pakistan authority said. "They are not attacking now because the mujahedeen are no longer a threat. At the same time they do not want to attack nonmilitary targets. It has been years since the Russians engaged in indiscriminate bombing and attacks. The Communists want to win the support of the

people or at least neutralize them."

The Communists also seem to be trying to win over guerrillas weary of more than eight years of war. "Messages are sent to mujahedeen commanders," said Fazle Akbar, who publishes a semimonthly battle bulletin. "They are told they can keep their guns and even their anti-aircraft weapons. They are told they can hold trials and execute criminals. They are only asked not to attack the cities and Government bases near them or the convoys on the roads." Early this year, Brig. Sarwar Nuristani, who previously defected to the guerrillas, flip-flopped back and became a Government militia commander in southeastern Afghanistan. Last year, another major guerrilla commander, Esmatullah Muslim, joined Government forces in Kandahar Province. A Pakistani who regularly travels to Kabul said he has met many former guerrillas driving taxis or motorcycle rickshaws there. He said Kabul radio have accepted a longstanding amnesty offer.

In addition, "several hundred former commanders are operating shops or trucks in Peshawar and other places," another Pakistani said. "Some got rich by selling captured weapons." Many Afghans still insist their nation can never be defeated, that the guerrillas can fight on indefinitely in the mountains.

However, some are wondering whether a tie may be nearly as bad as a loss. "Time is not on the side of the resistance," said Sayed Shamsuddin Majrooh, an Afghan Deputy Prime Minister in the 1980's. "Eventually the people will grow get on with living."

FRANCE'S 'CITIZEN KANE': Robert Hersant

A Press Mogul Reaches for More Power

By RICHARD BERNSTEIN

PARIS It has not always been easy for France's leading newspaper mogul.

For much of his career, Robert Hersant, owner of two prominent national dailies, Le Figaro and France-Soir, and a long list of regional papers, periodicals, radio stations and printing plants, has been fighting — using illegal means, some say — to expand his publishing empire and gain political power.

In the process, the controversial Mr. Hersant, who controls 28 percent of French newspaper circulation, has tangled with the French courts, the Socialist Government, labor, and some heavy debt — as well as with his own reputation as a collaborator during World War II.

But these days, things seem to be going his way. Le Figaro, his flagship paper, boasts a daily circulation of 367,236, the biggest of the Paris-based dailies. The 66-year-old Mr. Hersant won a seat in the National Assembly during March elections that swept Socialists from power. A few weeks ago, the new Parliament passed a law ending 42 years of antitrust regulation in the newspaper business.

What is more, the Government plans to sell the largest of France's three state-owned TV networks, T.F. 1. Mr. Hersant is making a mighty effort to buy it. "He is entirely focused on television," said Jean Miot, a close associate and director of Le Figaro. "His head has taken on the form of a cathode ray tube."

Indeed, it could be said that the clouds have rarely lifted so dramatically for Mr. Hersant as they have in the past few months. His newspaper holdings, his close relations with men in power, and the likelihood that he will expand into television, have made him one of the most powerful private figures in this country, a kind of Citizen Kane of the French press (or, as some have called him, "Le Papièvre," the paper eater).

Mr. Hersant's power is a major political issue in France, with some, particularly the Socialists, arguing that his expansion threatens the very idea of pluralism in France. Aides to Mr. Hersant dismiss this charge, claiming that compared to media giants elsewhere in the world, such as Rupert Murdoch, Mr. Hersant is still a small-scale operator. But all agree that his rise from modest origins to his current status came from a combination of boldness and acumen that confounds his enemies and detractors. "He's been playing a game of double-or-nothing all his life," said one former associate.

Mr. Hersant's tenacity and shrewdness were well-illustrated in January, when he moved to buy Le Progrès de Lyons, the major daily of France's second-largest city.

that owned Le Figaro and France-Soir.)

Mr. Hersant's purchase of Le Progrès was considered illegal by the Socialist Government. But he was betting — correctly — that the Socialists would be ousted in March.

"Where Charles X failed, Hersant is now succeeding: to make the press march at the same pace," wrote Le Monde columnist Philippe Boucher, referring to the French king who ordered the press muzzled in 1830.

Even Quotidien de Paris, a right-wing daily, attacked Mr. Hersant, writing that he will "progressively reduce pluralism," and that he was

group sponsored by the collaborationist Vichy Government of Marshal Henri Pétain. He was also the director of a short-lived journal, Jeunes Forces — youthful forces — that was explicitly anti-Semitic and pro-Nazi.

He paid for this flirtation with fascism with a month in prison after the war and a 10-year sentence of "national shame," a status that, in theory, deprived him of some civil rights. But the sentence was not strictly enforced and after a few difficult years, he was not much affected.

He refuses to express regret about his wartime activities. In a 1984 interview in the magazine L'Expansion,

came in 1955, when he was elected to Parliament from Oise, in northern France. He founded a weekly in his election district.

Then he began to accumulate provincial papers. A key to Mr. Hersant's dramatic expansion through these papers, say analysts, is that many belonged to aging owners no longer able to provide dynamic leadership. Mr. Hersant bought them as they faltered, rationalizing production by combining needed technical services — most notably, printing — with those of his other papers. "He buys newspapers to assure clients for his printing facilities," said François de Coustin, a journalist who follows Mr. Hersant's fortunes.

Mr. Hersant moved into the national picture later, buying Le Figaro in 1975 and France-Soir a year later.

Almost all the financing for the acquisitions came from bank loans. By the mid- and late 1970's, say some analysts, Mr. Hersant's indebtedness threatened to destroy him. Mr. Miot denies that the Hersant empire was overextended, but said that "we always laughed when somebody asked where the money came from. We knew that we didn't have any money of our own. It all belonged to the bank."

Several key successes, says Mr. Miot, generated the income to pay off the loans. Most conspicuous were the weekend magazine supplements — Figaro Magazine, begun in 1978, and Madame Figaro, started in 1980. The first such supplements in France, the two brought in millions in ad revenues and are thought to be responsible for doubling Le Figaro's weekend circulation, to 700,000.

As Le Figaro pushed the entire Hersant empire into financial success, it also evolved into Mr. Hersant's political base. Following the Socialist victory in 1981, the paper became a center of political opposition.

The Interior Minister in the previous conservative Government, Alain Peyrefitte, became chairman of Le Figaro's editorial committee. Another former minister, Jean-François Deniau, became a columnist. Both are now in Parliament but still hold their jobs at the paper.

In fact, a dozen associates and employees of Mr. Hersant are now in the National Assembly. They deny that they constitute a party within a party. But there is no question that the group has a far greater direct presence in Parliamentary life than any other single business.

Mr. Hersant's empire, which employs 11,000 people, is entirely private. All 130 companies, collected under an umbrella organization, Socpresse, are wholly owned by Mr. Hersant and his family. A close associate estimates revenues at \$600 million a year.

The businesses are run from a Paris office, where Mr. Hersant begins work each day at 8:00 A.M., says

The Economy

WEEK IN BUSINESS

Metromedia Adds To Its Pile of Cash

Metromedia's \$1.65 billion sale of paging and mobile phone businesses should make its billionaire founder even richer. John W. Kluge struck the deal with Southwestern Bell, which will use the new units to become the largest force in cellular telephones. Mr. Kluge took Metromedia private in 1984 in what was regarded as the first step toward expanding his empire. However, he has since sold off virtually the entire company; the phone businesses were the last remaining large holdings. Now Wall Street is wondering what will be done with that mound of cash.



John W. Kluge

The biggest insider trading case in S.E.C. history expanded. Two former investment bankers, Robert M. Wilkins and Ira B. Sokolow, were accused of being part of a ring led by David B. Levine, who pleaded guilty last month to charges related to trading on inside information. Both Mr. Wilkins and Mr. Sokolow signed consent decrees but did not admit or deny the charges. Mr. Wilkins was said to have made \$3 million from trades based on inside information, some of which he purportedly obtained from Mr. Levine. Mr. Sokolow was accused of selling information to Mr. Levine for \$120,000. They were the first individuals other than Mr. Levine to be named in the case, but Wall Street did not expect them to be the last.

Coke bought another bottler, this time the biggest and one of the oldest in its system. The price for the JTL Corporation of Chattanooga, Tenn., was \$1.4 billion. Before the turn of the century, JTL paid \$1 for the right to bottle Coca-Cola and became a pioneer of franchising in America. Coke said it might now set up a separate bottling company that would sell stock to the public. In June, Coke bought Beatrice's bottling operations for \$1.1 billion.

Economic data remained sluggish, and even a drop of 0.2 percentage points in the unemployment rate in June failed to encourage private economists. Many of them saw statistical aberrations in the fall to a 7.0 percent jobless rate, from 7.2 percent

force in the fight for the European telecommunications market. Telephones were the foundation of ITT, but for some time the company had been having trouble in the fiercely competitive sector. The new ITT will have Sheraton hotels, Hartford Insurance and a lot of cash.

The bid for Associated Dry Goods is not good enough, Associated's management told the bidder, May Department Stores. Associated said it would pursue other ways to build value for shareholders, possibly by selling some divisions. May is widely expected to sweeten its bid.

OPEC failed to impose quotas on output by individual members. The oil ministers agreed to meet again on July 28 to try to come up with a way to lift prices to the range of \$17 to \$19 a barrel. On the futures and spot markets, crude prices resumed sinking, falling below \$12.

The 1,900 mark was finally pierced by the Dow Jones industrial average. After peaking at 1,909.03 on Wednesday, the average retreated somewhat but still finished its holiday-shortened week at 1,900.57, a weekly gain of 15.61. The credit markets moved

Front-Line States Call for Sanctions Against South Africa, Even Though They May Be Hurt

A Region Turns on a Powerful Neighbor

By EDWARD A. GARGAN

HARARE, ZIMBABWE Defying threats of retaliation against their economic self-interest, South Africa's black-ruled neighbors have increased their calls for sanctions since the internal emergency was proclaimed by Pretoria on June 12.

All the bordering countries, the so-called front-line states, rely on trade links with South Africa, which has threatened to cut off their access to ocean ports and markets if Europe or the United States imposes restrictions on trade.

Nonetheless, President Kenneth Kaunda of Zambia has threatened to withdraw from the Commonwealth unless Britain agrees to trade sanctions. And Prime Minister Robert Mugabe of Zimbabwe has called on Africans to create an armed force to fight the white-ruled republic and to accelerate the infiltration of weap-

ons to anti-apartheid guerrillas.

"The Boer is using the gun to mow down the people of South Africa," Mr. Mugabe said, using the Afrikaans word for farmer. "The only language the Boer will understand is the language of the gun."

Despite their abhorrence of apartheid, both leaders had largely tempered their criticism until South Africa attacked offices and residences of the African National Congress in Zimbabwe, Zambia and Botswana on May 19. "May 19 increased the sense of paranoia," a veteran Western diplomat said.

"More important," another diplomat added, "the practical day-to-day activity is not going on as before." He said Zimbabwean and South African security forces stopped meeting regularly on smuggling and other border violations.

When the effort by Commonwealth countries to promote dialogue between South African whites and blacks collapsed last month, the

would-be negotiators concluded that sanctions were the only remaining appropriate action. However, unpublicized analyses by several diplomatic missions here have concluded that the consequences of sanctions could be catastrophic.

Vulnerable Rail Lines

Rail lines to South Africa's seaport at Durban carry most of the imports and exports of landlocked Zambia and Zimbabwe. Even neighbors that are not landlocked are vulnerable. Mozambique has been under attack for a decade by guerrillas armed and financed by South Africa. And although Mozambique has three seaports, its railroads to Zimbabwe are in poor repair. The main line to Beira is kept open only by the presence of 10,000 Zimbabwean troops, one-fourth of that country's army. They guard freight trains and work crews rebuilding the right of way. If sanctions are imposed, many diplomats say, South Africa is likely to bomb

these rail lines.

President P. W. Botha of South Africa has indicated that he is considering the expulsion of foreign workers and the severing of the rail links to Zimbabwe. "There is no question that sanctions by the West will entail reaction by South Africa against Zimbabwe," a Western diplomat said. "Of all the neighbors, Zimbabwe is the one South Africa would really like to lay into."

On the Atlantic coast, the Marxist Government of Angola is under siege by the South African-backed rebels of Jonas Savimbi, who have also been getting increased American aid. In case of sanctions, many diplomats here believe, South Africa would increase its efforts to destabilize Angola and Mozambique while blockading Zimbabwe and Botswana, actions that could lead to political turmoil as it did in Lesotho in January. When South Africa imposed a trade blockade on that tiny country, the military overthrew the Government and restored more tranquil relations with South Africa.

A diplomatic analysis put it this way: "Simply by closing the two frontier points, at Beitbridge and Mafeking, South Africa could reduce the physical trade flows of the landlocked front-line states by 85 percent, to 15 percent of normal. Factories, mines and commercial farms would progressively shut down. Most urban people would become unemployed. The tax base would shrink rapidly. Inflation would soar. Social services would decline. Large numbers of public servants would be dismissed." The economy would "move fairly quickly back toward the subsistence level," the paper predicts.

This view is shared by the chairman of the Confederation of Zimbabwe Industries, John Mkhisi, who said recently that the economy would collapse under an embargo in a "matter of months."

The front-line leaders are acutely aware of what a South African embargo would mean. But increasingly, they are echoing Mr. Kaunda's view that political and moral obligations to South Africa's black majority outweigh the pain they would feel from retaliation by the white Government. "If we are given a choice, therefore, to bear whatever suffering will come from sanctions, and the choice to continue as we are indefinitely, we say we prefer sanctions because they will make our suffering shorter," Mr. Mugabe said in his Soweto commemoration speech.

Pretoria's leverage

(in percentages for 1984)

	Botswana	Lesotho	Malawi	Mozambique	Swaziland	Zambia	Zimbabwe
Exports to South Africa	17	n.a.	6	6	30	1	16
Exports passing through South Africa	77	n.a.	54	24	40	64	74
Total	94	100	60	30	70	65	90
Imports from South Africa	85	97	36	14	85	15	19

Source: State Department

Pretoria Digs In, at Home and Abroad

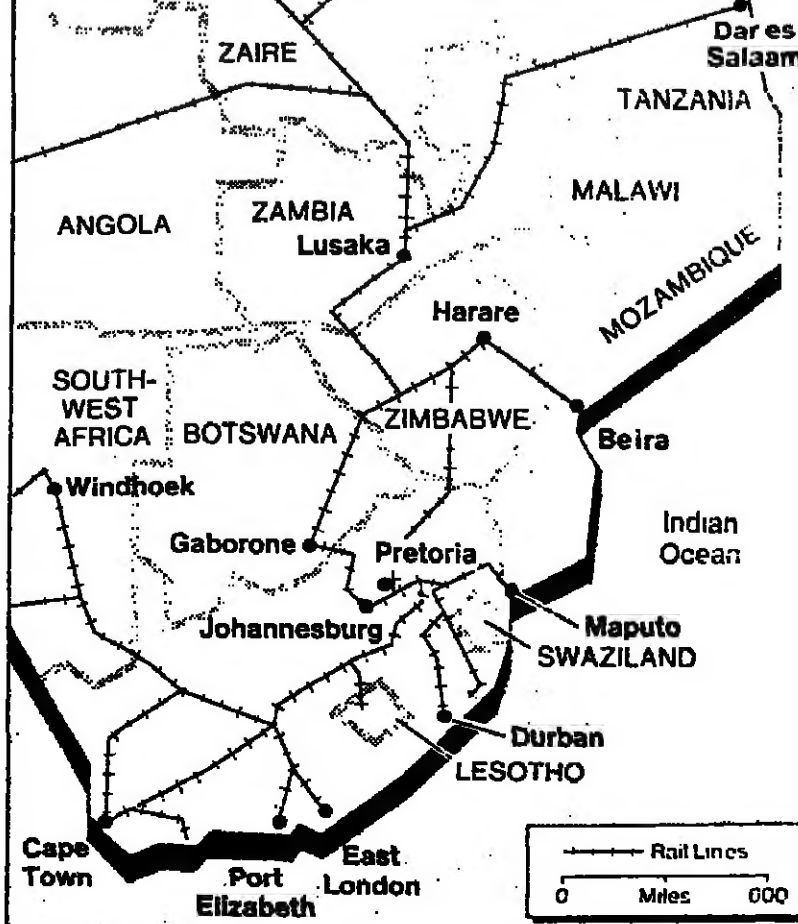


Workmen replacing shop window shattered by a bomb in central Johannesburg last week.

BOMBS exploded in Johannesburg, Cape Town and in a white suburb of Pretoria last week, injuring 30 people. Sixteen of them were whites. South African Government spokesmen suggested that the African National Congress was responsible; the outlawed organization has declined to comment. Since the state of emergency was proclaimed on June 12, more than 100 people, most of them black, have been killed in violence of all types, according to the Government. Yesterday, gunmen killed five black police officers and wounded 12 others in black townships near Johannesburg. Two of the assailants were killed.

Defying an emergency ban, nearly 2,000 black mineworkers went on strike at four diamond mines to demand release of detained labor leaders. De Beers, their employer, said it had already appealed for release of the detained officials of the National Union of Mineworkers, the country's biggest black union. The Congress of South African Trade Unions, the largest federation of black unions, has also threatened disruptive action unless the Government releases imprisoned labor leaders this week. Monitoring groups say at least 220 labor leaders are among the several thousand people — mainly church leaders, union members and community activists — under arrest.

The Government announced it will bring criminal charges including murder, arson and assault against 780 people. When charged, these detainees will have access to lawyers for the first time.



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Liberty, for All

A hunger seized New York this Liberty Weekend, an eagerness to play a tangible part, a zeal to be there. "Oh my God," said Nicholas Scott, a young security guard Friday at Battery Park City. "I can't believe I'm actually a part of this." The millions were not disappointed. There truly were once-in-a-lifetime moments, as when the Statue blossomed in pure light or when soaring fountains of fire filled the sky.

All weekend, people thronged for a piece of the action. Some paid \$5,000 a ticket at the wind-whipped opening ceremonies. Others poked around the Statue of Liberty shop in Greenwich Village to buy shields (made in Switzerland), trays (Italy) and pencil sharpeners (Hong Kong). Crowds brimmed the streets conquering gridlock, boatlock, a taxi-strike cablock and the hazard discovered when a couple wearing foam Liberty tiaras kissed. "Crownlock," said a woman from Los Angeles.

A hunger to be there: Liberty Weekend thus resembled the rainy October day in 1886 when President Cleveland came to Bedloe's Island to dedicate the Statue. The public was excluded but it seemed, says one history, as if all New York "had boisterously accompanied the colorful parade down to preliminary ceremonies at City Hall and the Battery."

But then the audience was composed of dignitaries and the rest of the country had to content itself with written accounts of the festivities. This time, the world watched and the dignitaries were performers, playing the role of spectators on the larger stage of television. Then, the Statue took its place as a symbol of liberty. Now, the TV cameras have become a symbol of equality.

On Friday, a young woman from Queens and

her boyfriend spread their blanket out on a lawn with no view of the water. They watched the Parade of Sail nonetheless, on a tiny portable television. Why come just to watch TV? "We wanted to be in the center of the action," she said.

But where was that? In his remarkable little novel about television, Jerzy Kosinski explored the complexities of "Being There" when TV creates its vastly magnified version of where there is. Where do political conventions now take place, on podiums in Dallas, or San Francisco? Or on the screen, which unifies a host of scenes?

Where did Liberty Weekend take place? Only some occurred in view of the dignitaries on Governors Island. Commentators talked of it as being the most complex production ever televised. Television is no longer just another spectator of a fixed stage. It let all of us see everywhere, with a hundred eyes, flashing high to the Lady's torch, dipping down to the carrier deck, scrutinizing the faces of new citizens across the country.

This new equality is not always to the good. There was justifiable distaste when the President gave over his presence to one network on Thursday night. There was understandable impatience when the restless cameras would not stop even to let the suddenly brilliant image of the Statue sink in. Television's appetite for visual spectacles risks cheapening the impulse to be there by multiplying once-in-a-lifetime events.

But these are cavils. If Liberty stands for anything, it's for giving everyone a chance to be part of the action. Television did that this weekend. The colossus called "Liberty Enlightening the World" fulfilled her mission. On camera. And like the couple in the park with their little TV set, you could see it, Live from New York, either way.

Japan Should Eat More, Not Sell More

Sometimes, not even diligence and frugality are enough to assure prosperity. For the first time since 1974, Japan's economy has skidded into recession.

The immediate cause is the 30 percent appreciation of the yen in just a few months. That makes Japan less competitive in world markets and has halted the once-inexorable rise of Japanese exports. This unusual pause won't last very long. But it exposes a fundamental weakness in the Japanese economy: its excessive dependence on exports. Prime Minister Nakasone's failure to reduce the dependence might topple his Government. More important, it threatens a world economy that needs a strong Japan to prosper.

Japan's 40-year economic miracle is testament to work, thrift and flexibility. The Japanese still work longer hours than Americans and save more of their earnings. But there is now reason to question the vaunted adaptability that enabled them to rebound so quickly from the devastation of World War II and of two energy shocks.

Densely populated, lacking natural resources, Japan must export to survive. Japan has therefore grown accustomed to protecting its export industries from foreign competition with preferential tax and investment policies. These preferences are slowly being dismantled, under pressure from the United States. But the current recession proves that the Japanese have not adapted to that imperative by reducing their dependence on industrial sales abroad.

As a result, Mr. Nakasone finds himself torn between the need to sustain employment and profits on the one hand and, on the other, America's demand that he preserve the appreciated value of the yen. Japan's alliance with the United States will not suffer if his faction loses out in today's election; his

rivals in the ruling Liberal Democratic Party are equally committed to it. But the policy tension will get worse. Japanese politicians will revive the drive for exports and Americans will clamor to protect our most vulnerable industries.

The ultimate danger is that both nations will beat a path toward a globally "managed trade," leaving consumers in advanced countries to pay monopoly prices for imports, and nations like Brazil, China and South Korea without the markets they need to grow.

The constructive remedy would be economically painless: Japan should shift its industrial energies from conquering foreign markets to satisfying pent-up domestic needs. The savings that Japanese now invest in U.S. Treasury bonds and their own export industries should be channeled toward better housing, roads and — the horror! — more leisure. The Japanese Government could spur this shift by cutting taxes and spending more and with reforms that would, for example, encourage borrowing for housing.

That course is bitterly resisted in Japan, and not only because it is urged by foreigners. It would enlarge Tokyo's budget deficits and make life more difficult for the influential managements and workers of export industries. Above all, it would appear to threaten the conservative social values that have given the Japanese such a great sense of purpose since the humiliation of defeat and such great pride in their collective accomplishment.

Yet change is upon them. If they wait to accommodate until driven to it by harsh circumstance and foreign retaliation, they will only damage the world's economy and deepen the resentment of their trading partners.

Letters

Inviting a Conductor to Shake His Fist at Austria

To the Editor:

I fully agree with Anthony Lewis's condemnation of the Kurt Waldheim election in Austria (column, June 12). As a biographer of Arturo Toscanini, I am pleased that Mr. Lewis refreshed reader memories about the conductor's refusal to perform in Nazi-dominated countries. And if James Levine, the Metropolitan Opera's artistic director, whom I admire, were to decide to cancel his appearances at this summer's Salzburg Festival — which Mr. Lewis suggests he ought to do, as a symbol of American "moral revulsion at the Austrians' choice" — his gesture would be understandable and laudable. But I believe Mr. Lewis is off base in comparing Toscanini's situation with Mr. Levine's.

Toscanini's anti-Nazi protest captured the world's attention because he was not Jewish. Kifler, within a few weeks of coming to power in 1933, sent the conductor a personal invitation to continue his connection with the Wagner Festival in Bayreuth; and when the Nazis assumed control of Austria five years later, the Salzburg Festival administration would have been only too happy to have Toscanini go on working in their country.

In both cases, Toscanini nobly chose to say no. Anti-Nazi protests from Jewish artists did not then and would not today have such a strong propagandistic value — and Mr. Levine is Jewish. If Herbert von Karajan, a former Nazi, were to withdraw from Salzburg this summer in protest over the Waldheim affair, a few mouths would surely drop open.

However much moral revulsion we still feel at Austria's Nazis and Nazi sympathizers, the real troublemakers in today's world are to be found elsewhere. Perhaps someone should propose, for a start, that artists boycott the Soviet Union and the United States until both countries dismantle their armament industries, give up the nasty habit of financing repression in other countries, eliminate all forms of pollution and stop destroying

those tatters of civilization that were left after the Nazis had had their day.

Such a protest wouldn't work, of course, but it is still a less ridiculous idea than that of inviting one conductor to shake his fist at a powerless country.

HARVEY SACHS

Arezzo, Italy, June 24, 1986

Gauntlet Is Thrown

To the Editor:

Anthony Lewis's thought-provoking June 12 column re-evoked in me the memory of an unforgettable event that took place in Milan about 1936.

I had been living in that city as a young psychiatrist. I loved music and would never miss a new opera performance at La Scala or a concert in the Conservatory. One day, a solo recital by Vladimir Horowitz was announced. I rushed to the box office and succeeded in getting a good orchestra seat next to the right aisle.

After the first part of the concert, while Horowitz was bowing to the thunderous applause of the audience,



one could distinctly hear a raucous voice shouting from the left side balcony: "Abbasso, down with Toscanini, the anti-Fascist conductor," followed by the shouting response, "Ev-

viva, long live Toscanini, the apolitical conductor." Pandemonium broke loose in the dignified atmosphere of the Conservatory of Music.

As Toscanini walked down the aisle next to my row of seats, I joined in chanting, "Evviva il Maestro." He was visibly shaken, upset and he covered his face with one hand. At his side, his daughter, Wanda, Mrs. Horowitz, was supporting her publicly vilified father.

The triggering circumstances to this repulsive demonstration occurred a week before in Bologna, where Toscanini was scheduled to conduct a performance of "Norma" in the Teatro Comunale. He steadfastly refused to conduct the Fascist hymn, "Giovinezza." He was summarily removed from the orchestra pit, and this signaled the outbreak of the first Fascist demonstration against our revered Toscanini. A few days later he packed and left his beloved homeland, determined not to return as long as Il Duce ruled Italy.

Mr. Lewis's column, directed straight to maestro James Levine, reminds him of his civic responsibilities as a world-renowned conductor — that passive resistance can become a powerful weapon in the world struggle. By canceling his scheduled conducting performances of "The Magic Flute" and "The Marriage of Figaro" in this summer's Salzburg Festival, while avoiding a replay of the Horowitz-Toscanini-Duce incident, Mr. Levine could deliver a blow against the recently elected President of Austria, Kurt Waldheim.

Mr. Levine's absence from Salzburg would be perceived by people all over the world as a clear indication that Americans refuse to cooperate with Nazis, regardless of how well camouflaged they may be. In his message to Austria, Anthony Lewis threw down the gauntlet to James Levine, thus putting it up to the maestro to respond. STEVEN DOBO, M.D., Poughkeepsie, N.Y., June 17, 1986

Contra Aid Prolongs the Torment of a Desperately Poor Country

To the Editor:

"Finally, a Standard for the 'Contras'" (editorial, June 25), which urged Congress to approve aid to the contras with "effective strings" attached, ignored whether such aid was justified under any conditions. Suppose the Nicaraguan rebels miraculously purged their ranks of supporters of the Anastasio Somoza Debayle regime, of mercenaries, drug traffickers and profiteers, leaving only democracy-loving civilians in command? Even then, by what right would Americans be justified in helping overthrow the legitimate government of another country? Surely, the United States has other means at its disposal for protecting what President Reagan calls "strategic sea lanes" and "vital choke points around the world."

In any case, Congress has been notoriously ready to accept Presidential assurances. By claiming that El Salvador is a thriving democracy, President Reagan has been able to secure a steady flow of military aid to that country. Yet the Salvadoran military still wields disproportionate power, economic reforms have been stifled, and human-rights violators go largely unpunished.

The result is that poor young men are drafted to fight other poor young men, workers and the middle class suffer from a shattered economy, and the war drags on endlessly — financed by American taxpayers.

We can expect much the same result in Nicaragua if we go on paying Nicaraguan rebels to fight in Nicaragua. Strings or no strings, continued United States aid to the contras will only prolong the torment of a desperately poor country that poses no conceivable threat to our national security.

RACHELLE MARSHALL
Stanford, Calif., June 25, 1986

To the Editor:

House members responsible for passage of the contra aid bill can pat themselves on the back for making another dream of our self-fulfilling prophet in the White House come true. If there was no Soviet base in Nicaragua before this, there will certainly be one now! And a buoyant President Reagan called it "round one."

STEPHEN KUZMA

New York, June 26, 1986

To the Editor:

Last week, the House of Representatives authorized \$100 million in contra aid. This appropriation will not endear us to the Nicaraguan people, particularly in light of our previous support of the oppressive regime of Anastasio Somoza Debayle. But it also seems criminal to ignore the injustices of Daniel Ortega Saavedra's Government. So what should we do?

Why not try a propaganda offensive: communicate our deep concern for human rights via a Radio Free Nicaragua or other method. Let's set aside the \$100 million and promise it to all Nicaraguans after certain events take place, i.e., free elections and freedom of the press. Granted, it's unlikely that the liberalization of Nicaraguan society will occur soon, even with a propaganda offensive; but it's also foolish to believe that by paying for this civil war, by causing death and destruction, we'll hasten movement toward democracy. We won't win the hearts and minds of the Nicaraguan people by waging war.

LAWRENCE M. KIMMEL

New York, June 29, 1986

To the Editor:

The phrase "Marxist Nicaragua" in your June 22 editorial on South Africa is inaccurate and an unfortunate capitulation to Ronald Reagan's red-baiting. First, the Nicaraguan Government does not consider or call itself, and denies being, a Marxist government. Rather, it is guided by the principles of the Sandinista revolution, which combines elements of Marxist economic analysis with Nicaraguan nationalism and liberation theology-oriented Christianity.

Second, the actions of the Nicaraguan Government are not those of a Marxist government: appointment of several priests to cabinet-level posts (foreign minister, minister of education, minister of culture, etc.); maintenance of a mixed economy, and, to cite a last example among many

others that could be listed, holding of elections (described as fair by European observers), where opposition parties garnered more than one-third of the vote and duly received that proportion of seats in the National Assembly. JEROLD BLOCK
Massapequa, L.I., June 25, 1986

To the Editor:

Appealing to House members to support his \$100 million aid package for the Nicaraguan rebels, President Reagan compared his aid proposal to President Truman's military assistance to Greece and Turkey in 1947 to help those countries ward off Communist threats. The President's analogy is ill chosen because it supports the opponents of his aid package rather than its backers.

President Truman rushed aid to Greece, not because he wished to aid Greek democracy (which had already been demolished by Winston Churchill's armed intervention), but to manipulate Greece as an anti-Soviet pawn on the global chessboard. In the short run, President Truman won the battle, but in the long run the United States lost the war.

The mendacity of the rhetoric about rescuing Greek democracy was exposed when Washington supported the later junta dictatorship simply because it made available "strategic real estate" in the eastern Mediterranean. Thus the result of the Truman Doctrine to which President Reagan alluded was an explosion on March 22, 1968, which blew up Truman's statue in the center of Athens. A proposal to restore the statue to its pedestal was voted down by the Athens City Council. A member of the council explained that the statue "conflicted with the sentiments of the Athenian people because of the policy that was expressed and carried out by Truman."

Precisely the same policy is being pursued today by President Reagan in Central America. No crystal ball is needed to foresee a corresponding winning of battles and losing of wars.

L. S. STAVRIANOS
San Diego, June 25, 1986

The writer is adjunct professor of history, University of California.

Elderly and Blind Are Tax Reform's Losers

To the Editor:

One of the most widely hailed features of tax reform is the near doubling of the personal exemption to \$2,000. Regrettably, the least discussed feature is the proposed repeal of the long-held extra exemption for the elderly (65 and over) and the blind.

The loss of the extra exemption at the \$2,000 level means a difference of \$300 a year to each elderly and blind taxpayer in the 15 percent bracket. Under the House and Senate bills a \$600 standard deduction reduces this \$300 to \$210 for nonitemizers.

The elderly and the blind, alone among all taxpayers in the country, are actually faced with a decrease in total exemptions. For example, taxpayers below age 65 with four exemptions will have total exemptions raised from \$4,320 to \$8,000. An over-65 couple with four exemptions (two regular personal exemptions and two extra exemptions) will have their total exemptions reduced from \$4,320 to \$4,000.

It would be interesting to hear the President explain why his plan introduced 13 months ago singled out the elderly and the blind as the only taxpayers not to realize additional benefit from the increase in the personal exemption to \$2,000. Ditto the House leaders. Both the Bradley-Kemp-Kasten tax proposals retained the extra

exemption for the elderly and the blind. However, the House and the Senate followed the Administration's lead and repealed the benefit.

To have your own exemptions lowered when all about you others are having theirs practically doubled is bad enough. It is worse to have your tax rates raised when millions of others are having their rates lowered. This is the double whammy tax reform is laying on the low-income elderly and blind faced with losing their extra exemptions and going from the 11, 12 and 14 percent brackets to 15 percent. Let us hope it is not too late to correct this inequity.

A. TERRY WEATHERS

Farmingdale, L.I., June 24, 1986

Skip the Retraction

To the Editor:

Charles O'Connor's letter (June 29), supporting the nomination of Judge Antonin Scalia to the Supreme Court, inadvertently misstates my own position on revising libel law. I have urged the abolition of punitive damages, a requirement that the losing party generally pay the costs of the victor and other changes in current libel law, but I have never endorsed any proposal that a newspaper that loses a libel suit be required to print a retraction.

Any such legislation would, in my view, be both unwise and unconstitutional. FLOYD ABRAMS
New York, June 30, 1986

Topics

Lasting Values

Liberal Champion

Jonathan Bingham, patrician lawyer and public servant who died last week at the age of 72, won his first election when he was 50. He topped the Bronx Democratic Party boss, Charles Buckley, from the Congressional seat that he had held for three decades. In the next 18 years, Mr. Bingham won his true niche, as a committed combatant for intelligent, liberal values.

Born to politics as the son of Connecticut's Governor, and later Senator, Hiram Bingham, Jonathan Bingham served city, state and country. He was American Ambassador to the United Nations Economic and Social Council just prior to his election in 1965 and he was elected to Congress nine times. In Washington, he made his strongest legislative contributions in foreign affairs.

Mr. Bingham was also a vigorous champion of many domestic causes, including sensible handgun controls. He was, at the age of 60, one of the "young Turks" who broke the Democratic leadership's tight seniority control over the House. Of bombast Jack Bingham had none, nor did he need it. He had conviction.

Contemporary Chic

Josef Hoffmann was the co-founder in 1903 of the Wiener Werkstätte, a consortium of artists and craftsmen dedicated to creating "good simple articles of household use." If he were alive today he'd be the hottest name in decorating.

That, at least, is the conclusion of an eavesdropper at the Museum of Modern Art's new show "Vienna 1900," which stars the artists Klimt, Kokoschka and Schiele — and the work of the Wiener Werkstätte.

On the show's opening day, she had followed the crowd from room to room, listening to the usual museum chatter — "He had one foot in the 19th century" (Klimt) — "Why, he reminds me of Van Gogh" (Kokoschka) — "So erotic" (Schiele) — when she heard someone exclaim, "And the TV could go there."

"There" was one of the cabinets in a wall of built-ins designed by Hoffmann. The built-ins constituted "the perfect media center," the television owner said. A second viewer, however, was overheard to say they'd given her an idea about how to place her refrigerator. A third thought they'd be "divine" in a bedroom.

The term "contemporary furnishings" is often misused, overused and empty. Josef Hoffmann gave it weight.

Oozenoz

It's a wish as futile as entreating mosquitoes to disappear, but mosquitoes are worth swatting and it's a wish worth making: that observers of American celebrations give up the expression "Oohs and aahs."

The term must be packed near the top of America's holiday kit because it's used, and used, and used to describe crowd reaction every time a crowd forms that's capable of reacting to something. The term began life with an onomatopoeic ring. Now it has slumped into the coffin of cliché, frequently mocking as naïve what it intends only to describe.

A moment's thought yields several literal variations — heys and wows, shouts and whistles. A moment spent listening to a crowd react yields more — yo! or whoo-ee! Still better, the language is piled high with fresher lumber. Crowds can exhale in aahs or exclaim in wows. Aahs can be ex-

مكتبات الامم المتحدة

FOREIGN AFFAIRS | Flora Lewis

Soviet-American Crossroads

PARIS President Reagan has said the Administration is making a careful study of the recent series of proposals put forward by Mikhail Gorbachev, the Soviet leader.

It is of great importance that this should be a thorough review of basic American arms control objectives. They are given regular lip service, but the debate has shifted ominously of late from specific stands to a question of whether any kind of new agreement is desirable.

This has been going on since Mr. Reagan took office. At first, the challenge could be obscured behind arguments that the U.S. needed massive new defense programs to win bargaining leverage on the Russians.

Now, the very idea of arms control is at a crossroads. The opportunity will not last long, probably less than a year. After that, American and Soviet armament decisions will have been

Mr. Reagan's next step on arms control will be momentous for everyone

taken that will be difficult if not politically impossible to reverse. The advance of technology will change the calculations of balance. The chance of stopping, let alone cutting back an unfettered arms race will be put off to an unforeseeable future, at an ever higher level of menace.

According to Spanish Prime Minister Felipe Gonzalez, who was recently in Moscow, Mr. Gorbachev says that when the United States wants to rearm, the Russians want to stop, and when there is a certain acceptance of disarmament in the United States, the Soviet Union wants to develop defense. He thinks there is a process of Moscow and Washington being out of step in historical terms.

This does seem to be the case. Mr. Gonzalez replied that there were two theories in the West, the hawks whom Mr. Gorbachev described, and those who do want verifiable arms control at the lowest possible level. Like most West Europeans, the Spanish Prime Minister put himself in the second group.

But despite his generalities and amiable assurances, it isn't evident where Mr. Reagan really stands. His advisers include advocates of both

camp. Washington is now coming to face the hard, central decision that has been postponed for years, and the answer will have to be firm and unequivocal.

This is because taking no decision, or fudging, will also move U.S.-Soviet relations beyond the crossroads, and will have the same effect as rejecting the effort to limit arms by agreement.

The issue of linkage, of whether arms control could and should be made to carry the focal burden of Soviet-American rivalry or whether other, regional issues should have equal weight, has been overtaken by events. The arms competition is now the key issue and no amount of palaver will make it secondary.

There isn't any serious prospect of coming to terms on other issues first, to improve the climate. In a way, regional disputes are even more com-

plex because they directly involve other countries. The impasse now in many areas, the Middle East, Afghanistan, Angola, Nicaragua for example, gives strong evidence that the superpowers aren't going to move each other in the slightest on these questions unless progress in arms control gives them a stake in better relations.

Critics of virtually all types of arms pacts charge that advocates want "agreement for agreement's sake, at any price." This is simply a way of veiling the harsh view that no agreement, at any price, can improve U.S. security and that Washington should prefer an arms race.

Of course, Mr. Gorbachev is going to seek the best terms he can get. So must the U.S., and no responsible American voice suggests otherwise.

But the Soviet leader has been signaling as openly as possible that he is

prepared for compromises. Just how much, and whether it is enough to meet prudent U.S. requirements, cannot be assessed until Washington makes up its mind whether it aims to parley, or parleys to keep on arming.

The argument of trust is a deliberate diversion. Neither side trusts the other and isn't likely to for a long time. The point is whether a common interest can be identified in mutual arms restraint, whether both sides can be brought to feel safer by lowering the quantity and type of threatening weapons.

Mr. Gorbachev obviously wants to concentrate on the Soviet domestic economy, but he too has a choice depending on his perception of Washington's intentions. There is no choice for either superpower to living in the same world. But it makes a big difference how much tensions are allowed to mount. Mr. Reagan's next step will be momentous for everyone. □

For Democrats, Me-Too Reaganism Will Spell Disaster

By Arthur Schlesinger Jr.

LAST month, President Reagan won a considerable and rather surprising victory. Contrary to general expectation, he persuaded the House of Representatives, a body presumably controlled by his Democratic opposition, to vote \$100 million in military and logistical aid to the contra forces organized by the Central Intelligence Agency to overthrow the Sandinista regime in Nicaragua. He humiliated the Democratic leadership, which passionately resisted the proposal, and induced 51 Democrats—one-fifth of the party in the House—to desert their party and reject its policy.

It was a notable triumph of Presidential leadership. Mr. Reagan may not succeed in making the Sandinistas cry uncle, but he has done pretty well with the House of Representatives. Among other things, the victory raises questions about that favorite cliché of the pundits, the alleged impotence of lame-duck Presidents. What is still more impressive is that the victory took place not in response

to widespread popular demand but in the teeth of public opinion. Polls show an emphatic majority of the electorate opposed to the Reagan policy of aiding the contras.

If there was no aroused public bombarding Congress with telegrams, why then did the Democrats collapse? The 51 defectors supply a predictable assortment of particular reasons. Democrats, they say, cannot afford to appear soft on Communism. Or, if Democrats blocked aid to the contras, the President would later blame them for the "loss" of Nicaragua; now Nicaragua is his baby. Or aid to the contras will bring the Sandinistas to the negotiating table. Or we have only one President and he must have a free hand in the conduct of foreign affairs. A few of the 51 may actually believe that aid to the contras is sound policy on the merits, but I doubt that this was a significant motive. Most of the defections took place for tactical, not substantive, reasons.

Yet one suspects a deeper tendency at work—for there are other signs of a Democratic scramble to get aboard the Reagan bandwagon. Recall, for example, the Democrats who compliantly voted for the Gramm-Rudman-Hollings Act. Consider Democratic support for the new tax bill. Doubtless this bill has its commendable features. But its essence is an attack on

progressivity in the Federal income tax. The principle of progressivity has been a historic Democratic commitment. Cordell Hull, the father of the progressive income tax, would have been incredulous at the thought of members of his own party flirting with the "flat" tax. Progressivity, Cordell Hull said, is "the one great equalizer of the tax burden." Reflecting in 1948 on the income tax fight of a third of a century before, Hull thought the principle of progressivity "so

When the economic bubble bursts

widely accepted" as to be beyond challenge. He did not anticipate Senator Bill Bradley of New Jersey.

What is this deeper tendency? The rush toward Reaganism is a tribute to the President's formidable popularity. Faint-hearted Democrats feel that President Reagan knows a secret and that if they could only learn the secret they could be as popular as he is. They believe that Democrats should

repudiate their historic policies and vie with Reaganites in backing the contras and reducing progressivity in the income tax. Democrats should demonstrate their enthusiasm for swollen defense budgets, for an unbridled arms race, for unlimited nuclear testing, for the defiance of international law, for intervention in the third world beyond American vital interests, for a foreign policy that overrides allies and goes it alone. At home, they should show equal enthusiasm for cutting back social programs, for deregulation, for abandonment of racial minorities, for dumping F.D.R.'s New Deal and Harry S. Truman's Fair Deal and John F. Kennedy's New Frontier and Lyndon B. Johnson's Great Society into the ash heap of history, and for worshipping at the shrine of the free market.

Of course, such Democrats bravely say, the Administration presses its dogmas a mile too far. We Democrats will carry out the same policies more efficiently, more economically, more humanely. The Reaganite fellow-travelers, in short, would have the Democratic Party stand for Reaganism with a human face.

Now this is a familiar enough trope when opposition politicians confronted by a popular President of antipathetic ideas lose their nerve. Forty years ago, liberal Republicans who urged their fellows to accept the New Deal were charged by conservatives with the sin of "me-tooism." Today me-tooism is an infection within the Democratic Party. It finds expression in quasi-Reaganite formations like the Democratic Leadership Council and the Coalition for a Demo-

Fidelity to party convictions is not political suicide

cratic Majority. Me-tooism is that deeper tendency of which aid to the contras is only the latest manifestation.

One can only add that for the Democrats me-tooism is a recipe for disaster. Me-tooism greatly exaggerates the popularity of Reaganite ideology. Polls consistently disclose a wide gap between popular liking for the President in these flush economic times and popular approval for his policies. A New York Times/C.B.S. poll last January showed that two-thirds of the electorate thinks the national Government should spend more money on Great Society programs to help the poor. Surveying other recent polls in the May issue of the Atlantic, Thomas Ferguson and Joel Rogers found "little direct evidence that mass public sentiment has turned against the domestic programs of the New Deal" and reported that "during Reagan's first term, the public increased its

support for regulatory and social programs."

Even if Reaganite ideology were as popular as the me-too Democrats think, me-tooism would not be the answer to the Democratic dilemma. For if American voters are in a conservative mood, they will surely choose the real thing and not a Democratic imitation. But Reaganite ideology and Ronald Reagan's popularity float on a wave of precarious economic prosperity. The United States today, after six years of President Reagan, is the world's largest debtor nation, ahead of Brazil, ahead of Mexico. It is running the largest budget and trade deficits in its history. When the economic bubble bursts, and burst it will, the public will turn to F.D.R.'s affirmative Government, not to Ronald Reagan's free market, for salvation.

This is why the Democratic Party must renew, not reject, its historic commitment to Government as the means by which a free people meets its problems. Otherwise, it will be as unprepared and discredited as Reaganism when crisis strikes. In foreign affairs, it must equally renew, not reject, its historic commitment to international responsibility as against the go-it-alone global unilateralism of the Reagan Administration. And, if faint-hearted Democrats think that fidelity to convictions is politically suicidal, they might remember that Ronald Reagan got where he is today not by me-tooing the opposition when it was in power but by insisting on his beliefs, wrong-headed as they might be—and doing so in bad times as well as good. □

WASHINGTON | James Reston

Now the Silly Season

WASHINGTON July marks the beginning of the official silly season here and in Moscow, and this year's promises to be a dandy. Consider, for example, the opening remarks of President Reagan and General Secretary Gorbachev.

The other day, the Soviet leader suggested that U.S. and Soviet officials meet at Geneva later this month to discuss Mr. Reagan's decision not to abide by the strategic arms limitation agreement of 1979, known as SALT II.

The idea, supported by the NATO allies, was that the Standing Consultative Commission, a body of U.S. and Soviet arms experts, should get together on July 22 and see whether SALT II was "dead" as some officials here said, or merely sleeping.

Asked about this on his way back from a California vacation, the President responded, perhaps not quite seriously, with the first wisecrack of the season. "Too much salt isn't good for you," he said.

Not to be outdone, Mr. Gorbachev came back with a couple of howlers of

Official swagger on arms control

his own. In a speech to the Polish Communist Party congress, he charged the President with "open obstruction" of the arms control negotiations, and — get this — said his hopes for progress now depended on the "anxieties" of the American people and Congress and the Western allies about Mr. Reagan's policies.

This, of course, is standard "silly season" procedure, the first rule of which is that officials say whatever obstructs their objectives, and deny precisely what they are obviously doing. For example, Mr. Gorbachev said in Warsaw that Moscow has "no intention of driving wedges between Washington and its NATO allies," which if true would reverse Moscow's policy of the last 40 years, but is actually the funniest remark he has made since he promised to make vodka unpopular.

It would probably be a mistake, however, to take all this hot-weather rubbish too seriously. It is all a part of the official swagger. The President didn't really mean to kiss off the offer of a Geneva talk on SALT II. That decision hasn't been made, it's just that he'd rather make a wisecrack than be wise.

Likewise, Mr. Gorbachev is probably too smart not to know that appealing to the Congress and the American people over the head of the President is about the only thing that would make Mr. Reagan's mystifying arms policy popular. After the sum-

mer exhibition games, the chances are that the two leaders will cool off and make arrangements for the promised second summit meeting.

For the truth is that both sides need an arms control agreement and will have to reduce their rhetoric to reality, even if they have to tame their subordinates, who, unlike Mr. Reagan and Mr. Gorbachev, really think there's no point in having another agreement that can't be verified and probably won't be kept.

To begin with, it will probably be necessary for both Mr. Reagan and Mr. Gorbachev to take a hard look at the arms proposals that they have made and wonder how they look from the other side.

I had a letter the other day on that topic from Gerard Smith, who represented the United States in the negotiations for the first SALT agreement with the Soviet Union. Herewith, published with his agreement:

"As we hear the Administration's demands that the Soviets correct their arms control behavior," he wrote, "I've been asking myself what we Americans would think if the Soviets had:

"Failed to ratify the three latest arms control agreements that their premier had signed;

"Walked away from negotiations for a comprehensive test ban and for limitations on anti-satellite systems;

"Announced that they were making an all-out effort to develop nationwide defenses banned by the ABM treaty;

"Announced that that treaty's correct interpretation permitted the development and testing of systems which the treaty by its very terms prohibited;

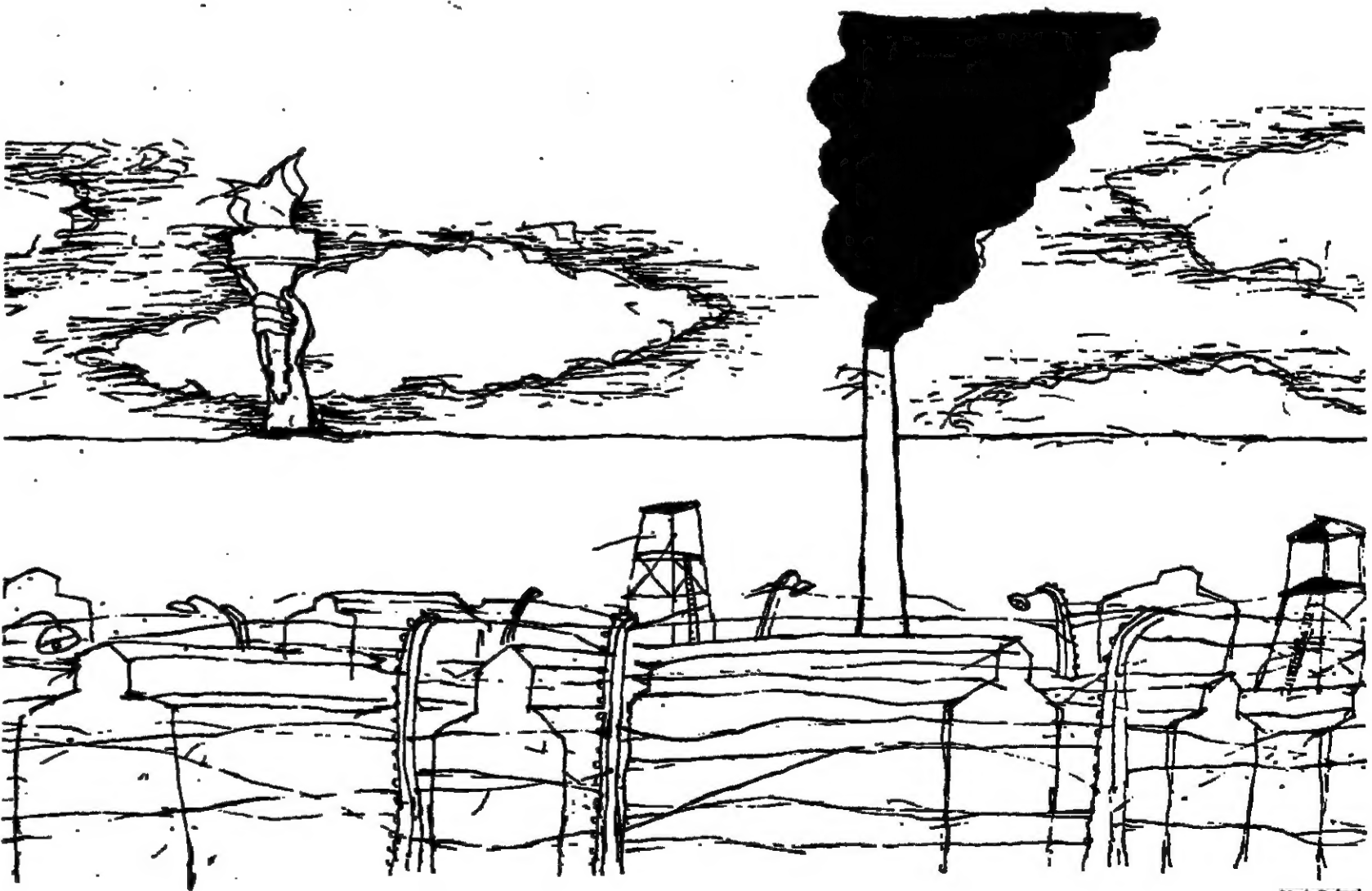
"Had refrained from starting negotiations about strategic arms for many months, and then made offers which their former minister of foreign affairs had acknowledged to be non-negotiable and 'absurd';

"While claiming violations, had refrained from making effective use of the Standing Consultative Commission to resolve disputes or was reported to have denied permission for its delegates to raise the issues;

"Announced that it was breaking out of an agreement setting ceilings on missiles and bombers because of the bad behavior of the other party."

"This," wrote Mr. Smith, "is what we have done, and I suggest that it warrants a degree of caution in making judgments about Soviet behavior."

Well, as President Reagan is always saying, no doubt another list could be made of Soviet actions that, looked at from Washington, would justify the Reagan Administration's policies. But it wouldn't be silly for both sides to see themselves as others see them. At least it would give them something to think about before Sniffing Mike comes to Washington. □



What It Means to Be Stateless

By Elie Wiesel

I remember: spring 1944, in Hungary. Shabbat unlike any other. The courtyard of the principal synagogue was crowded with the city's last Jews. We stood in an endless line waiting to enter the building, not to pray but to rest and collect our thoughts. The process of our deportation had begun several hours ago, as gendarmes had driven us out of our homes. The bureaucratic machinery was functioning efficiently, but we did not know for what purpose.

Two Hungarian officers sat at a large table near the entrance and examined documents handed to them by frightened Jews. When my turn

came, they simply seized my precious citizenship paper and, without looking at it, or at me, threw the cherished certificate into the wastebasket.

I remember that moment in precise detail; for it was then that I became a refugee. I was still in my town, surrounded by family and friends, but I was already an alien. Those who were supposed to protect me now turned into enemies.

I remember what I felt: fear, pain and, above all, disbelief. How could that be? I wondered. How could a people disown and expel its citizens? Only because they were Jewish? A gendarme's gesture was enough to uproot me: I no longer belonged to that place nor to that nation.

I was young and naive. I could not imagine that I was only at the beginning of a story. That first wound was to be followed by others, many others. Unwanted by their own countrymen,

'How could a people disown and expel its citizens?'

the Jews of my town seemed to concern the executioner alone, on the other side of the mountains, on the other side of existence.

For years and years I remained stateless. Do Americans, the American-born, know what it means to be stateless? It means to feel unwanted everywhere. It means to arouse suspicion at every border. Like a Kafka

character, you feel guilty merely for having undergone the punishment of suffering. Unprotected by any government, the stateless person has no rights and no privileges: any national is better and worthier than he. A stateless person can be, and often is, humiliated by anyone. A stateless person is not a person — not in the eyes of bureaucrats.

That is why I also remember the day — January 1963 — when I stopped being stateless. I became a citizen of this country. I felt vindicated, and proud. I could not forget all those men and women, all those children, who were less lucky than I, all those refugees who, in those tragic years, had not been admitted to our shores. But even that sadness could not replace my sense of gratitude to the American people and its noble traditions — a gratitude that has never left me. □

Elie Wiesel is professor of the humanities at Boston University.

Where There's Smoke, There's a Fiery Actress Named Debra Winger

By STEPHEN FARBER

LOS ANGELES
Reviews don't change my opinion of a film," Debra Winger says of her new movie, "Legal Eagles." Though it has been accorded many favorable reviews, it has failed to please the actress herself. "I'm glad that some people are enjoying it," Miss Winger goes on. "But I was horrified to see it edited with a chainsaw. As a writer friend of mine said, 'Legal Eagles' is the kind of film that takes audiences and shakes them up until \$6 falls out of their pockets. I felt like a slice of rye in a loaf of Wonder Bread."

Such outspokenness is hardly typical of actresses with a new movie to plug, but Miss Winger has never played by the rules of Hollywood diplomacy. In making such films as "Urban Cowboy," "An Officer and a Gentleman" and "Terms of Endearment," she battled with her directors, producers and co-stars, and she made no effort to conceal her criticisms of the finished product.

In "Legal Eagles" directed by Ivan Reitman, Miss Winger plays a struggling, unorthodox lawyer defending a disturbed young woman, Daryl Hannah, on a charge of art theft tracing back to the arson that killed her artist father when she was a child. Miss Winger's adversary in the district attorney's office, Robert Redford, eventually ends up joining her to defend Miss Hannah on a murder charge — a case that finds the two lawyers barely escaping a fiery explosion in a waterfront warehouse and nearly being incinerated in a blaze in an elegant Manhattan art gallery.

"I had never really done a full-out comedy," Miss Winger says. "But what appealed to me originally about 'Legal Eagles' is hardly seen on-screen. I never planned to be in a pyrotechnic movie. It was intended to be a movie like 'Adam's Rib,' a sophisticated romantic comedy about relationships. Imagine my dismay to find myself jumping in the East River while I'm thinking about 'Adam's Rib.' I had a lot of disagreements with Ivan as the film changed character. But he's a very strong personality, and he made the movie he wanted to make."

In response to Miss Winger's comments, Mr. Reitman says gently, "I would have liked less pyrotechnics myself. Looking back at the movie,

The actress in "Legal Eagles" — "A lot of people keep trying to clip your wings."



there are things I would do differently." While acknowledging his conflict with the actress, Mr. Reitman adds, "She's historically been a difficult actress to work with. Talk to her other

directors. Debra works out of a nervous tension, and she thrives on it. Ultimately, though, our disagreements are irrelevant. What counts is what happens onscreen, and

I like her performance in the film."

Partly because of her intense, combative relationships with many of her directors, the 31-year-old Miss Winger has worked relatively infrequently. "Legal Eagles" is only her sixth film in the last six years, but two of them — "An Officer and a Gentleman" and "Terms of Endearment" — have earned her Academy Award nominations. "Some people describe it as a long gap between films," she notes. "I describe it as living. You have to remember I spend several months preparing a film, several months shooting and several months recovering."

But after finishing "Legal Eagles" in March, she broke her usual pattern and went right back to work, playing a cameo role in "Made in Heaven," directed by Alan Rudolph and starring her new husband, Timothy Hutton. After that, she flew to Seattle to begin filming a psychological suspense story, "Black Widow," directed by Bob Rafelson. In it, she plays a government investigator trying to unmask a serial killer, played by Theresa Russell. Miss Winger becomes obsessed with her quarry and eventually begins to take on some of the other woman's characteristics. "It's a little like Bergman's 'Persona,'" Miss Winger asserts, "in that these two women find something in the other that complements what each of them has, and they begin to exchange identities."

In contrast to "Legal Eagles," Miss Winger has thoroughly enjoyed her work with Mr. Rafelson, best known for "Five Easy Pieces." "Rafelson is very empathic," she suggests, "but he's also very collaborative. It helps that this movie has a solid story line, which was especially important to me coming off 'Legal Eagles,' where the story has so many holes."

"I was warned that Debra would be argumentative and difficult," Mr. Rafelson says. "But I didn't find that. No actress I've worked with has had a sharper instinct. She reminds me of Jack Nicholson in the way she works. Neither of them likes to overrehearse. They're afraid that they'll burn themselves out and lose the spontaneity."

Perhaps one reason for their smooth working relationship is that Mr. Rafelson has known Miss Winger for 15 years. "I first met Debra at a party when she was still a teen-ager," he recalls. "And I thought she was this incredibly alive and jovial, even frenzied person. We kept in touch

over the years, and when I had completed working on the script for 'Black Widow,' I sent it to her. I think she's at that point in her career when she's moving from playing young girls to playing women. And that happens to parallel the transformation of the character in 'Black Widow.' Her new film represents a change of pace for her, but as Vincent Canby wrote, "Within certain limits, it's just possible that Debra Winger can do anything." Despite her versatility, there are common threads running through all of her performances. As she once said, "Two things present in my approach to a character are sexuality and a sense of humor." Even in her drab, unglamorous outfits in "Legal Eagles," she seems sensual and alluring. Much of her sensuality comes from her unforgettably husky

voice, somewhere between a rasping ship's foghorn and the bewitching siren's song that drove sailors to their deaths. James Bridges, who directed Miss Winger in both "Urban Cowboy" and "Mike's Murder," says of her: "This is the first time in a long while that there's been a very sexy star in the movies. And yet Debra is sexy in an identifiable way. People feel a real kinship with her. She's like the Carole Lombard of the 80's."

Partly because of her jousts with her directors, she has not worked often.

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Unlike Meryl Streep, Jane Fonda or Barbra Streisand, Miss Winger has not yet played superwomen or heroic figures. She has most frequently played unsophisticated, fairly ordinary middle-class or working-class women. Even the lawyer she plays in "Legal Eagles" is more reminiscent of Ginger Rogers's plucky working girls than of Katharine Hepburn's brainy aristocrats. "A lot of people say to me, 'Debra, you're the girl next girl,'" Miss Winger observes with a grin. "And I wonder on what block they live."

Indeed, the irony about her characterizations — and the greatest tribute to her acting ability — is that her own life has been nothing at all like the fairly sheltered experience of the women she portrays. She grew up in a Jewish family in Cleveland and moved to Los Angeles when she was 6 years old. When she graduated from high school, she left home, moved to Israel and joined the Israeli Army. She was not destined to be an Israeli, however, and she returned to America several months later. At the age of 18 she was thrown from the back of a truck and spent months in the hospital partially paralyzed. It was while she was recuperating that she resolved to become an actress.

She has always lived dangerously, and that spark of danger comes through onscreen even when she's playing a harried housewife (as in "Terms of Endearment") or a mousy bank teller (as in "Mike's Murder").

"Urban Cowboy," released in 1980, was the movie that first demonstrated her raw energy. The producer, Robert Evans, and the studio executives initially did not want her for the part of John Travolta's frisky bride, and even the director, Mr. Bridges, was unimpressed when she did her first reading. "It wasn't until I saw her screen test that I recognized her magnetism," Mr. Bridges reports. "Even when I was standing by the camera directing her, I didn't sense it. Jack Lemmon told me it was the same with Marilyn Monroe. She was not that striking in person, but something happened on film."

On the set of "Urban Cowboy," Miss Winger engaged in her usual skirmishes with her director. But Mr. Bridges recognized that her contentiousness grew out of perfectionism, not egotism. Summarizing her intense, sometimes controversial approach to her work, Miss Winger concludes: "I like to tell a story about Jim Thorpe when he was just starting out. During a game he intercepted the ball and started to run across the field when a guy mowed him down. The next time he caught the ball, he ran over this other guy, scored a touchdown, then came back and said to this guy, 'Let Jim run.' That's my motto, too. When you get the ball, you're supposed to be able to run with it. But a lot of people keep trying to clip your wings."

Three Comedies Light Up Summer With Laughter

By VINCENT CANBY

Good, high-grade comedy is rare. It's also unlike good, high-grade anything else. When you finally do come across something that makes you laugh out loud, spontaneously, it can have the effect of a narcotic that alters your perceptions without your being aware of the exact extent. You walk out of the theater experiencing a high that leaves no hangovers, no chemical traces of any sort, but which does curious things to the nerve-ends of remembrance.

In the 18 months that elapsed between the first time I first saw "Beverly Hills Cop" and the second time, which was a couple of weeks ago, the Eddie Murphy movie had shifted around and changed shape in my memory until I would have testified that it was a laugh-riot from beginning to end. On seeing it again, I was more than a little surprised to realize how much conventional, uninspired exposition and melodramatic plot were required to set up the film's half-dozen or so spectacularly funny scenes.

However, all of the obligatory narrative stuff had been forgotten. What I had been remembering was not the substance of the film, but the effect of Mr. Murphy's intransigent, raffish good humor and laid-back self-assurance. They had given distinctive comic character to "Beverly Hills Cop," which is basically an ordinary caper movie, and, as time went by, they had become the film itself.

This is recalled not to put down "Beverly Hills Cop," but to illustrate the trickiness of memory when it comes to movie comedy. We remember only what we choose to remember, and what we choose to remember can be a distortion of verifiable facts. Yet it can also be essentially more truthful than any facts.

There are currently available three new comedies that are redemptive and invigorating, as much for their tone and their point of view as for the number of laughs they deliver. "Ruthless People" (one of the year's best titles), "Bad Trouble" and "Back to School" (two of the year's least evocative titles, if not the worst) may not turn out to be timeless classics, but I suspect that memory will serve them well. They wipe away a lot of the cobwebs left by the season's other movies.

Rodney Dangerfield has been around for some time now. Though he can be good company in short doses on television, and though he was the best thing in the haphazardly entertaining "Caddyshack" (1980), he's never been the kind of comic personality who'd lure me out of the house. Then, the other day, a colleague, reporting on a solemnly important foreign-language film that she'd just survived, said that when she came out of the screening room she had a strange, inexplicable longing to go immediately back to see Mr. Dangerfield's "Back to School."

The comment was made not entirely seriously, but not sarcastically, either. It perfectly described the kind of funk that several less than transporting "serious" films had left me in. I was also curious since, pretty much without advance warning, "Back to School" had become one of the summer's big hits. Without a lot of support from the critics, the 64-year-old Mr. Dangerfield was becoming one of Hollywood's newest icons — the Tom Cruise of the slot-machine set.

In this case, the public is right. "Back to School" is the kind of formula comedy that anticipates the public's expectations and then, somehow, manages to give them just a little more. In form, it's an anti-intellectual, generation-gap comedy in which Thornton Melon (Mr. Dangerfield), a self-made millionaire, recently separated from his greedy, socially ambitious second wife, enrolls as a freshman in college to keep his son from dropping out.

"I always dreamed of going to college," Thornton tells his skeptical son. "When?" says the son. Says Thornton, "When I fell asleep in high school." Mr. Dangerfield's one-liners are not always gems but they are relentlessly hopeful: If this one doesn't work, maybe the next one will.

They are nonstop, delivered in the movie much in the way he delivers them as a stand-up comic on television — nervously twitching and fiddling with his coat collar, bouncing on his heels as if he were a boxer expecting to be slugged, not by his opponent's fist but by a rotten vegetable thrown into the ring by an angry fight fan.

Though the movie has a cast of excellent supporting players, including Robert Downey Jr., Keith Gordon, Burt Young, Sally Kellerman, Paxton Whitehead and Ned Beatty, "Back to School" is really a one-man show. Written by four writers and directed by Alan Metter, it's an elaborate Dangerfield stand-up routine in which the people he recalls are seen in the flesh.

Melton installs a hot tub in his dorm quarters, and has no trouble finding young women to fill it. He lectures the head of the business school on the necessity of bribery, kickbacks and payoffs in the marketplace, hires Kurt Vonnegut Jr. to write his English thesis on Kurt Vonnegut Jr. It's all lively, low-comedy fun. To quote a line by Noel Coward, "I couldn't have enjoyed it more."

"Big Trouble" is both more sophisticated and more troubled, but always engaging even when inspiration runs low. Initially written by Alan Bergman for Alan Arkin and Peter Falk, as a follow-up to "The In-Laws," the 1979 hit in which the three men had been involved, the film ran into difficulties during production. Mr. Bergman, who was also directing it, was replaced by John Cassavetes, and subsequently removed his name from the screenplay.

By all rights, "Big Trouble" should be either a dog or a masterpiece. It's neither. It's an intelligent, sometimes blissfully funny comedy about an economically desperate Los Angeles insurance salesman (Mr. Arkin) who finds himself up to his neck in a "Double Indemnity" type of insurance fraud with a crooked businessman (Mr. Falk) and his beautiful, bored, vodka-swilling wife (Beverly D'Angelo).

The film doesn't have the symmetry of "The In-Laws." It lacks consistency. Instead, it's composed of a number of random, sometimes surreally nutty set-pieces and a supporting cast of fine, very legitimate actors (Richard Durning, Paul Dooley, Robert Stack, Valerie Curtin and Richard Libertini, who was the Latin American dictator in "The In-Laws") having a ball as the sort of buffoons they don't often get a chance to play.

Most important, it has Mr. Arkin, Mr. Falk and Miss D'Angelo. They dig in their heels and play with an intensity that so illuminates the comic heart of the matter that you're likely to come out of "Big Trouble" remembering laughs that aren't even there.

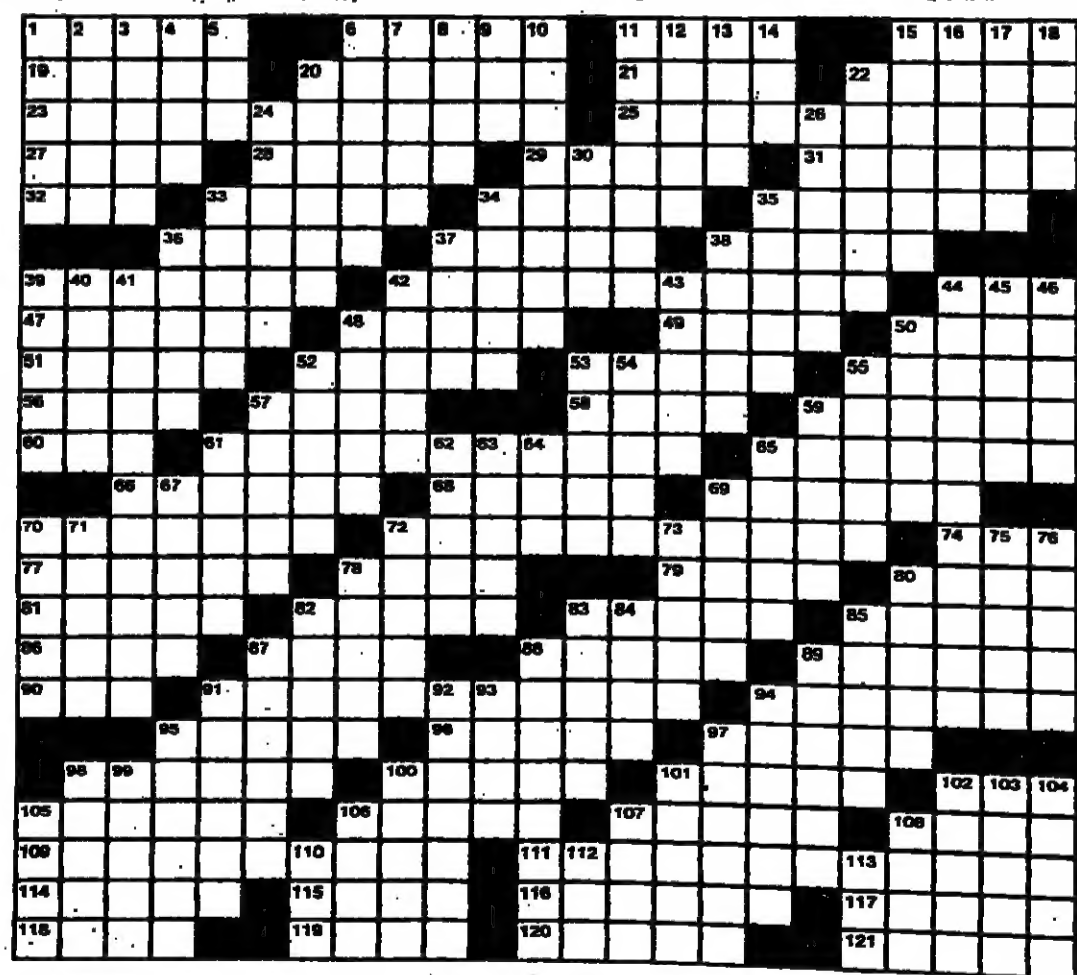
"Ruthless People" works in much the same way, though perhaps a few more of the laughs you'll remember are actually in the film. Inspired by O. Henry's "Ransom of Red Chief," a brand-new screenwriter named Dale Launer has written an updated, hilariously uninhibited tale that's far funnier — and nastier — than anything O. Henry ever wrote.

Mr. Launer also has a gift for invective that few writers are ever allowed to develop — much less put into finished screenplays — in these days of prerecorded good will. Remembering the rich, dreadful wife (Bette Midler), whose murder he's happily planning, garment tycoon Danny DeVito describes her as "that squeaky, corpulent, little toad" and her poodle as "a hairy rat." Nobody in "Ruthless People" ever wishes anyone else a nice day.

Injenuity BY BETTE SUE CONEN/Puzzles Edited by Eugene T. Maleska

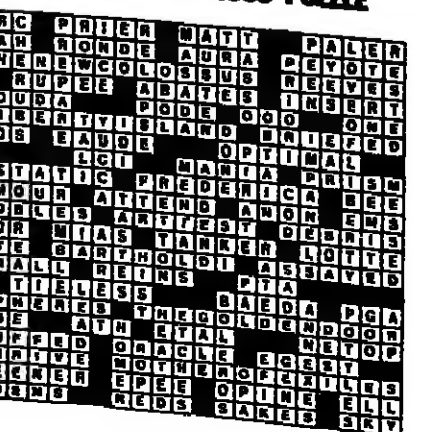
ACROSS

- 1 Thesaurus name
- 6 National Park, Okla.
- 11 Lady Hamilton
- 15 Calif. city
- 19 It opened on Broadway on 9/25/79
- 20 Turnkey
- 21 Alaska's islands
- 22 Walking (elated)
- 23 Shaw play
- 25 Result of a bottleneck
- 27 Take — the lam
- 28 School tool
- 29 They pull in pushers
- 31 Play the siren
- 32 Gadget for Calvin Peete
- 33 Of muscular vigor
- 34 Endeavor
- 35 Ages, as cheese
- 36 Hall of "Let's Make a Deal"
- 37 Civilian clothes
- 38 Spain's Gulf of
- 39 Grandeur
- 42 Label for some merchandise
- 44 Make picots
- 47 "And, after all, what —?"
- 48 Hindu ascetic
- 49 Pitcher
- 50 Hershey
- 51 He played
- 52 He wrote "The Maids"
- 53 Thief or tenant
- 54 "Horse design" by a committee
- 55 Lepidoptera
- 56 Priestley's "Johnson"
- 58 Shady
- 59 Off. Pulver, e.g.
- 61 Yorick, for one
- 62 Hirsch or Joiley
- 63 Sans reserve
- 64 Peter in a nursery rhyme
- 65 Arrived
- 66 Terms of office
- 67 Actor in "Brideshead Revisited"
- 68 Puke
- 69 Wilkes of "G.W.T.W."
- 70 Knot in yarn
- 71 Favorable review
- 72 "Next of skin"
- 73 German sculptor-painter: c.1440-1533
- 74 Garden plant
- 75 Fashion
- 76 Beef casing
- 77 Psych
- 78 Custom
- 79 Scooters
- 80 Unfruitful
- 81 I saw
- 82 Elba



- 3 Assoc. of Kilroy
- 4 Jacket or collar
- 5 Ralph Rackstraw, e.g.
- 6 Series of bets
- 7 Stander
- 8 Opposite of apterous
- 9 River near Geneva
- 10 Bus pass
- 11 Board Amtrak
- 12 Lenity
- 13 "Serpico" author
- 14 Sound from Sandy
- 15 Sam and Tom
- 16 Certain
- 17 They need good memories
- 18 Weapon: Fr. Chic
- 22 Crankcase
- 24 Charlotte, Emily or Anne
- 26 Name of two kings of Iraq
- 28 Italian wine center
- 33 Polter's "With Love"
- 34 I.R.S. activity
- 35 Cowboy, at times
- 36 Stidmish
- 37 Create
- 38 More uncommon
- 39 Chop, as meat
- 40 Man of Manchuria
- 41 Valley in NW Wyo.
- 42 "The Spanish Guitarist" painter
- 43 Wag
- 44 Cartoon team
- 45 Virtue or valor
- 46 Wax
- 47 English rebel
- 48 Charon's vessel
- 49 Farr of "M.A.S.H."
- 50 Frenchman
- 51 Kind of pole
- 54 — Fisher Hall, Lincoln Center
- 55 Ulsters
- 57 Baklava
- 58 Ingredient
- 59 Stretch one's neck
- 61 Goddess who knew her oats
- 62 Ridicules
- 63 — to bed . . .
- 64 Jeanne d'Arc: Abbr.
- 65 Valuable collection
- 67 Throb
- 68 Metric units
- 70 Kind of bud
- 71 Chemical compound
- 72 Camarilla
- 73 Incensed
- 75 "A Man and a Woman" actress
- 76 Stigmatize
- 78 Type of clock
- 80 Long-necked wading bird
- 82 First Pulitzer Prize novelist
- 83 Score doubled
- 84 First woman to govern a state
- 85 Certain display of paintings
- 87 Hale or Hardy
- 88 "The Barefoot"
- 89 "The Exorcist" author
- 91 Nickname for Lou Groza
- 92 "Dared clean his — front of him": Pushkin
- 93 Emulate a jagger
- 94 Straightened
- 95 Highland wraps
- 97 Left port
- 98 Second: Comb. form
- 99 Cartoonist
- 100 Bushmiller
- 101 American Indian language phylum
- 102 Less desirable
- 103 Leigh or Blair
- 104 Refuse
- 105 Discard
- 106 Where suds grows
- 107 Make quick turns
- 108 Jupiter
- 110 Tatami
- 112 Darts and lads
- 113 Snow chaser

ANSWER TO PREVIOUS PUZZLE



ECONOMIC NEWS

MARKET PLACE

DAVID RUDGE

Battle over municipal budgets

Amid the nurses strike and the Shin Bet crisis, the shutdowns of municipal services by the 46 Arab local councils throughout the country has gone almost unnoticed.

Views and negative view of America. Commentary is a formidable intellectual force in support of anti-Communist, pro-American and pro-Israel positions - attitudes that are also endorsed by a hawkish public affairs body called the Committee for the Free World that is headed by Dexter.

In his attack, Vidal dipped into the repertoire of classical anti-Semitism to challenge the Podhoretz' rights in a "host country," consigning them and by extension all American Jews to the status of tolerated guests. Boasting of ancestors who fought in the American Civil War, Vidal recalled a conversation 20 years ago in which Podhoretz expressed a lack of interest in that conflict: "I realized that he was not planning to become an assimilated American," to use the old fashioned terminology, but rather his first loyalty would always be to Israel.

Vidal added about Dexter: "Like most of our Israeli fifth columnists, Midge isn't much interested in what the goyim were up to before Ellis Island."

Lashing out at Israel's supporters, he said: "To make sure that nearly a third of the Federal budget goes to the Pentagon and Israel, it is necessary for the pro-Israel lobbyists to make common cause with our lunatic right."

To Dexter's accurate observation that "Mr. Vidal does not like his country," Vidal wrote: "Of course I like my country. After all I'm its current biographer. But now that we're really levelling with each other, I've got to tell you I don't

Film sector finds itself in tight spot

By GREER FAY CASHMAN

Jerusalem Post Reporter

Rumours of impending bankruptcies and predatory pricing are circulating through Israel's communications industry, as the sector struggles under the pressures of over-investment in equipment.

Industry sources say that the sector is heavily in state-of-the-art gear in anticipation of the government's approving a second television channel. Loaded down with expensive gear and the bills for it, the companies are cutting fees in a bid to lure business, sources say.

Rumours that Kestel Communications crossed the lines of respectable discourse. The reproof was issued only after the Vidal piece was reprinted in *The Washington Post*.

Acting perhaps out of a sense of tact towards a sister organization, the Anti-Defamation League let the matter ride as well. *Commentary*, after all, is a publication of the American Jewish Committee. It is also a top journal of opinion in the West, owing in part to a commitment by the AJC, despite reservations to maintain *Commentary's* editorial independence.

It is no secret that within the ranks of the AJC there is unhappiness over a magazine whose ideological thrust is markedly different from that of the organization publishing it. In recent decades, the Committee, founded in 1904 by influential German Jews, has invested its energies in the liberal agenda, from the civil rights movement, to more recently, women's and gay rights, following a pattern roughly similar to that of the American Jewish Congress and other mainstream Jewish organizations.

Their support for Israel is strong and across the board but it is heightened in *Commentary* to a point that annoys even some Israelis who see no reason not to have pressure exerted on their own government in behalf of more dovish policies.

Some argue that a push of this kind, legitimate in Israel, takes on darker nuances in America, where doves don't like war and frequently don't like a strong national defence either. This contrasts with Israel, where doves don't like war but serve as front-line commanders in combat units. On the need for a

Rhetoric and a roaring silence

U.S. Jewry have not spoken up loudly and clearly in a dispute between leading smacks of anti-Semitism. Malka Rabinowitz reports from New York.

strong defence there is little dispute within Israel where the margin for illusion is slim. Podhoretz has privately argued against giving a handle to those in the U.S. whose idea of peace in Israel is the "peace of the grave," that is, the abandonment of Israel by the U.S.

IT TOOK PODHORETZ, 56, some time to get to these positions himself after a youthful fling with radicalism. The brilliant, Brooklyn-born son of Russian immigrants studied at Columbia, Cambridge and the Jewish Theological Seminary before being named editor of *Commentary* at 29. The driving intellectual force of neo-conservatism, Podhoretz lays claim to an ideological turf called liberal before, in his view, the term was hijacked in the 1960s by those whose outlook had earlier been labelled as radical or left.

These designations took on deepened emotional tones in 1967, when the first breaches occurred in the unspoken post-war taboo against anti-Semitism. The Six Day War was the peg for the resurfacing of anti-Jewish expression under the guise of anti-Zionism. And locally, the bitter New York teachers strike pitted a union whose members were mostly Jewish against black community activists.

Commentary's emphasis on these issues and on the need for a strong defence posture to counter Soviet imperial aspirations continue to be a minority view in the academy and in the communications media, where Podhoretz remains something of a maverick. The positions he holds find wider resonance in the population at large, which has been shifting rightward.

So far the television networks and *The New York Times* have kept the Vidal issue at arm's length: there has been neither outright condemnation of Vidal nor any attempt at a "both sides have their point of view" approach.

An exception is Martin Peretz's *New Republic* magazine, which blasted Vidal's "brazen racist hate" and called him "ready for the funny farm." It criticized *The Washington Post*, too, for reprinting his piece, ostensibly in response to a syndi-

cated Podhoretz column accusing Vidal of anti-Semitism. ("Will the *Washington Post* reprint the writings of Louis Farrakhan or Lyndon LaRouche when next its readers seem puzzled by a columnist's criticisms?" *The New Republic* asked. "Indeed why should their words be less widely read merely because they have not also been the author of bad novels?")

THAT THE EDITOR of *The Nation*, Victor Navasky, is himself a Jew, was addressed by an unsurprised Podhoretz. "From Karl Marx to Noam Chomsky," said *Commentary's* editor in a *New York Post* article, "anti-Semitic and self-hating Jews have been a familiar presence in left wing circles."

Self-hatred was a point touched upon by Kenneth Bialkin, outgoing chairman of the Conference of Presidents of Major American Jewish Organizations, who wrote to Navasky: "I agree with you that not every gentle who criticizes Israel or American Jewry is anti-Semitic, nor is every Jew who does so self-hating; but many are, and the circumstances must be faced honestly."

Bialkin's letter found little company from mainstream community organizations in the pages of *The Nation*. One American Jewish Committee official, Irving M. Levine, apparently acting on his own, wrote to complain less about Vidal's diatribe than about his characterization of the AJC itself as right-wing.

That is a serious charge for those who since the days of the New Deal and Franklin D. Roosevelt, a president adopted by the Jews, have identified the right with the forces of reaction, oppression and anti-Semitism. Standing that view on its head has made *Commentary* a controversial issue within the community and beyond. So strongly do many Jews identify with the traditional perspective that a new magazine called *Tikkun* has been launched explicitly as a "liberal alternative to *Commentary* magazine."

Ironically, Podhoretz told *The Jerusalem Post*, it is the right that is trying to expel anti-Semitism from its ranks and the left that is giving it a home. He notes that the conserva-

tive Catholic editor of *The National Review*, William F. Buckley Jr., publicly dissociated himself from his colleague, Joseph Sobran, who had published anti-Semitic pieces elsewhere. "Buckley in effect told him to cut it out," says Podhoretz, who compares that to the reaction on the left to the Vidal controversy, which ranged from silence to a defence of Vidal. A surprising exception was *The Village Voice*, a New York weekly that regularly attacks Podhoretz and Israel but which condemned Vidal's "anti-Semitic screed."

IN DEFENDING the weak response of the community, one Jewish spokesman dismissed the Vidal issue as a personal feud and said Podhoretz was a "big boy" who could take care of himself. This has raised questions over whether there is abandonment of the traditional position within the American Jewish community that anti-Semitism is indefensible.

It was that perspective which guided the mainstream Jewish groups some years back when they brought their full weight down on a marginal neo-Nazi group in Chicago that sought to march in Skokie.

This strong consensus against anti-Semitism became less apparent during the 1984 elections, when for the first time in living memory anti-Semitism was injected into a presidential campaign. The attack came from the group around the Rev. Jesse Jackson and his supporter Louis Farrakhan.

Dismayed, the major Jewish organizations hesitated as anti-Jewish accusations, absent so long from the American scene as to be almost forgotten, began to resonate in the national news media.

Their paralysis was ended in a courageous statement by Anti-Defamation League head Nathan Perlmutter, who denounced the blatant anti-Semitism that had become associated with the Jackson campaign. Yet something less than the full weight of the community was brought to bear when a resolution at the Democratic convention in San Francisco condemning anti-



Novelist Gore Vidal

Semitism, a notion about as controversial as motherhood, was withdrawn lest Jackson's camp view it as a personal affront.

Black-Jewish relations have become a highly charged issue around which communal spokesmen and Podhoretz as well tread carefully. But he has been prepared to go further than organizational spokesmen in insisting that tolerance is a two-way street.

"I don't worry about Farrakhan," he says. "I worry that the responsible black leadership couldn't bring itself to condemn him forthrightly."

He makes the same complaint in respect to Vidal, whose outburst not only remained largely immune from criticism on the left but has been defended by Tom Wicker of *The New York Times*, among others, as not being anti-Semitic.

Podhoretz traces Vidal's feelings about Jews to the early Sixties, when the novelist began complaining "that the Jewish literary establishment" was working to prevent him from being recognized as the great writer he imagined himself to be.

These feelings were apparently fanned by the image of Henry Adams, 19th-century scion of a patrician family and an anti-Semite, with whom Vidal evidently identifies.

Some speculate that Vidal's personal malice was sharpened by the Podhoretz' articles opposing the movement to grant gays legitimacy as an alternative life style. Vidal is an avowed homosexual.

Podhoretz dismisses motives as unimportant. "Does it matter why Hitler hated the Jews?" Of one thing he is certain about the writing and publication of *The Nation* piece. "Vidal understands how far you can go. And he thinks he'll get away with it."

THE AFFAIR COMES in the wake of the Pollard case, which for obvious reasons has caused concern among American Jews. Both Podhoretz and New York Times columnist William Safire, who is Jewish and an equally strong supporter of Israel, have expressed outrage over the use of an American Jew as a spy.

Podhoretz says he's concerned rather than frightened over the Vidal affair. "I think this country has protections against excesses in hatred. But when the dust settles, another barrier has been lowered, another stripping away of protection has been acquiesced in."

"I'm concerned about the release of this poison into the air again. Better it shouldn't be there."

Unique almanac

GEOFFREY WIGODER
Special to The Jerusalem Post

A NUMBER of Jewish "almanacs" have been published in recent years. A unique one, because of its emphasis on topical issues, is *The 1986 Jewish Directory and Almanac*, compiled and edited by Ivan Tilleman (N.Y., Pacific Press, 748 pp., \$24.95 hardcover, \$14.95 softcover).

The declared objective is to issue it annually, and this is apparently the second year it has appeared. It claims to be a "one-volume compendium of social issues." In fact, it is a "with-it" anthology of articles and data - some of current interest, others of more value.

It is a large and ambitious volume, intelligently compiled, with something for everybody. Its introductory essay on the future of the U.S. community stresses that although the absolute numbers of U.S. Jewry may change comparatively little in the coming decades, the proportion of the Jews to the general population is likely to decrease dramatically. The result in terms of power and influence may be significant, with major implications for Israel.

Current issues treated include Ethiopian Jewry, the struggle for Soviet Jewry, Nazi war criminals in the U.S., combating cults and mis-

sionaries, and book reviews of the year. More wide-ranging features include the history of the State of Israel as reflected in the front pages of *The New York Times* and *The Jerusalem Post*, daily-day-in-Israel history (following the Jewish calendar), an English-Hebrew-Yiddish dictionary, the 613 commandments (reproduced from the *Encyclopedia Judaica*), the news media, and sports.

The 166-page yellow-page directory seems to be an updated version of the yellow pages that first appeared in *The Jewish Catalog*. It covers the full range of Jewish agencies and services throughout the U.S., including mikvaot, funeral supplies (shrouds), calligraphers and Jewish games and toys. Its long lists of synagogues, organizations and Israeli and Zionist agencies are of great use in searching addresses, zip codes and phone numbers.

Among the many gems, my own favourite is Mark Twain's essay, "Concerning the Jews," written in 1898, and containing typical witty insights. On Zionism he writes: "Have you heard of Dr. Herzl's plan? He wishes to gather the Jews of the world together in Palestine, with a government of their own. At the convention in Bern (sic) last year, there were delegates from everywhere and the proposal was received with decided favour. I am not the Sultan and I am not objecting; but if that concentration of the cunningest brains in the world was going to be made in a free country (bar Scotland), I think it would be poor to stop it. It will not be well to let that race find out its strength. If the horses knew theirs, we should not ride any more."

Oy gevalt syndrome

AMERICAN ORTHODOX rabbis suffer chronic role-related stress on a daily basis, according to the findings of a year-long study of Orthodox rabbis by Dr. Leslie Freedman, a clinical psychologist.

Rabbis' overall report greater distress than that measured in recent studies of Vietnam veterans, long-term clients of a community mental health centre, and residents living close to the Three Mile Island nuclear reactor in the immediate aftermath of the accident," said Freedman.

Freedman, a clinical associate in the doctoral training programme in clinical psychology at City University of New York and a clinical instructor in the New York University medical school has studied stress among rabbis for the past six years. He said he has received the cooperation in his research of about 60 per cent of active Conservative, Orthodox, Reconstructionist and Reform rabbis.

Freedman found no difference between the four groups in the amount of stress reported, or in relation to income or age.

He said that only 3.2 per cent of the Orthodox rabbis who responded

said that their work "is not stressful" and another 20 per cent answered "a little stressful." The reply, "very stressful," was given by 26.4 per cent, a "very high" figure, according to Freedman. "Psychological factors such as low self esteem, feeling of inadequacy in job performance, and general job dissatisfaction determine 'demoralization levels,'" he said. "Family relations, especially marital dissatisfaction, also contribute to rabbinic stress. These frequently translated into more socially acceptable physical symptoms that, ironically, intensify the distress."

According to Freedman, "Rabbis are trained as experts in Jewish law and tradition and identify themselves as scholars. As symbols of moral rectitude and exemplars of Jewish living, the rabbi and his family live in a fish bowl. They are socially isolated, regarded as being 'too good' for normal social discourse, yet, as paid employees of the community, not good enough to socialize with."

Freedman's conclusions are based on the findings of an independent nationwide survey conducted in the spring of 1985 among 750 members of the Orthodox Rabbinical Council of America living in the U.S., 325 of whom completed the questionnaire. He reported his findings to the RCA convention in Baltimore earlier this month. (JTA)

The Jewish World page is edited by Moshe Kohn

Renewed attempts to ban Jewish societies

Anti-Semitism felt on UK campuses

MATTHEW KALMAN/Special to The Jerusalem Post

JUST ONE YEAR after a Jewish student society was banned at a polytechnic institute in Northern England, Jewish students in Britain are facing renewed attacks from blacks and left-wing student groups. But this time, the by-now traditional anti-Zionism of the left is developing into open anti-Semitism, and instead of extreme left-wing fringe groups the perpetrators are coming from the mainstream student wing of the British Labour Party.

Adrian Cohen, full-time chairman of the 5,000-member Union of Jewish Students (UJS), reports a new wave of attempts to ban Jewish Societies from British campuses on the grounds that they are Zionist and therefore racist. Many student unions have a policy of "no platform" for racists first introduced in the early 1970s against right-wing neo-Nazis. Now this anti-racist tactic is being used against Jewish students in a campaign that Cohen describes as "open anti-Semitism."

On top of these attempted banings, Jewish students are frequently denied the right to speak in student union debates on the Middle East because of their "Zionist racism." This, despite the fact that the UJS is careful to follow a moderate Zionist

policy without a hint of chauvinism and is in the middle of its own broad-ranging anti-racism campaign.

Despite this liberal outlook by the Jewish students, relations with black students on some campuses have become soured by a hitherto unknown phenomenon in Britain: Louis Farrakhan. The latter shot to prominence during the last American presidential election with his outspoken anti-Semitic comments, which Democratic Party candidate Jesse Jackson was forced to repudiate. Now Farrakhan wishes to visit Britain, but in January he was banned from entering the country because of his anti-Semitism.

Black students responded to this ban with horror. They blamed the Jewish community (who had, in fact, requested the ban), and played tapes of Farrakhan's anti-Semitic speeches in "cultural awareness" classes at South Bank Polytechnic in London.

THE UJS HOPED that these problems would be solved at the bi-annual gathering of British students

at the National Union of Students conference.

Attended by over a thousand delegates representing more than one million members, the NUS conference is the focal point of student political activity in Britain. Last year, as the result of adroit political maneuvering, the UJS managed to get one of its members elected for the first time to the NUS national executive.

This year, again for the first time, the conference discussed a major policy platform on Soviet Jewry, the culmination of more than five years of intense UJS activity to get the motion placed on the agenda. But the motion began to bring out the latent anti-Semitism that the UJS feared was lurking beneath the anti-Zionism of many left-wing students.

One opponent of the motion, a student at Lancaster Polytechnic, spoke against the "so-called refugees" who were "occupying land belonging to Palestinians." The student, who is the Labour Party parliamentary candidate for a northern constituency, urged the confer-

ence to oppose the motion on the grounds that it "clearly forgets the plight of Palestinians." He also criticized the "powerful lobbyists" of the UJS, using what some people called a classic anti-Semitic reference.

The Labour Student stall in the conference lobby refused to carry UJS literature on the Holocaust, and their handbook fails to list a single Jewish group in its "useful addresses" section even though Jewish and Labour students have worked together in joint campaigns for years. In the evening, Jewish delegates walked out of a Labour Student cabaret after a song that contained offensive references.

DESPITE THE undoubted success of its Soviet Jewry campaign, UJS has now released a dossier of incidents showing that Jewish students are subject to "overt prejudice and hostility" on campus, particularly from self-defined moderate Labour students who pride themselves on their enlightened attitude to ethnic minorities, women's rights and other liberal causes.

Jewish causes are not gaining from these pro-minority sentiments because of a deep-seated hostility to Zionism, which frequently expresses itself in discrimination against and insensitivity towards Jews in general. The UJS has long become used to having its opponents link the Soviet Jewry cause with that of the Palestinians. But even hardened Jewish student leaders were shocked when a Holocaust exhibition at Leeds University was defaced with slogans supporting the PLO.

Labour students, whose organization is sponsored by the Labour Party but is largely autonomous, represent a large body of student opinion in Britain whose hostility to Israel is having negative repercussions on the status of Jewish students on British campuses.

One UJS member, Linzi Brand, who last year was the first active Zionist to be elected - on an independent ticket - to the NUS Executive, says it is clear that "anti-Zionism is being used to attack Jews, not just Zionism."

The writer is editor of the *World Union of Jewish Students* magazine, Shofar, and lectures on campus politics at the Hebrew University.

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A Bank of Tokyo clerk adjusts figures on an exchange quotation board in Tokyo. The yen rose to a post-war high yesterday in the aftermath of Prime Minister Yasuhiro Nakasone's election victory. (Reuters)

Japan economy faces troubles

TOKYO (Reuters). - Japan's financial markets celebrated Prime Minister Yasuhiro Nakasone's overwhelming election victory with a buying binge yesterday, but analysts said the economy faced major problems.

Both the yen and Tokyo share prices surged to record highs as speculators concluded that Nakasone's big win would be translated into an even stronger currency and increased domestic economic demand. Unofficial results showed Nakasone's ruling Liberal Democratic Party (LDP) winning more than 300 of the 512 seats in Japan's powerful lower house of parliament (see story on page 1).

The financial markets saw this clear victory for Nakasone as reflecting voter tolerance of the yen's rapid rise and support for the prime minister's programme to switch the drive-

ing force of the economy to domestic demand from exports.

But businessmen and economists warned of tough times ahead as Japan struggles to cope with a rising yen the government seems powerless to stop.

Despite massive selling by the Bank of Japan, the yen strengthened to a record 158.90 to the U.S. dollar yesterday morning on heavy speculative buying, dealers said. It ended the day in Tokyo at 159.25, more than 1.50 yen stronger than its close on Friday and a post-war high. It closed at 159.63 yen in London.

Nakasone said yesterday he believed the sharp yen rise was only a temporary, knee-jerk reaction to the resounding LDP victory. But currency dealers almost unanimously disagreed.

"A brand new page has started [in the dollar's fall]," said Masato

Kawamura, chief dealer at the Bank of Tokyo. A dollar fall below 150 yen looks possible with the bottom around 140 to 145, he said.

Some economists said such a sharp dollar drop would devastate the economy, driving smaller exporters out of business and throwing countless Japanese out of jobs.

Japanese businessmen are well aware of the risks. While universally hailing Nakasone's triumph, they also took the opportunity to voice concern about the country's economic health.

"The Japanese economy cannot be sustained with a yen value below 160 to the dollar," said Eiichi Saito, head of Japan's most powerful business group, the Keidanren. He pleaded with the government to take strong measures to stabilize the currency and help the economy.

Slump in oil prices hurts Soviet drive to modernize

MOSCOW (Reuters). - Falling world oil prices are squeezing the Soviet Union's foreign trade and slowing Kremlin leader Mikhail Gorbachev's drive to rejuvenate the economy, Western diplomats say.

Faced with the prospect of losing billions of dollars in oil revenues this year, Moscow has been forced to restrict imports of the Western goods and technology needed to modernize Soviet industry, they say.

The diplomats, economic specialists at Western embassies, say Moscow is looking to tackle the problem by selling more gold, raising money on foreign credit markets and turning to Eastern European countries as alternative suppliers.

But each of these options carries inherent limitations and, with continuing strains in the domestic oil industry, the economic advances foreseen in the new Soviet five-year plan are getting off to an uncertain start, they say.

The latest statistics published in the foreign trade journal *Vneshnyaya Torgovlya* highlight the problem. They show Moscow ran a deficit with the West of \$1.78 billion from January to March this year.

Imports from the West fell by a sharp 12.5 per cent to \$6.31b, from \$7.21b. Lower agricultural imports accounted for part of the decline, but the statistics also showed Moscow

had been forced to rein in purchases of Western industrial equipment.

Exports to the West fell 5 per cent to \$4.53b, from \$4.77b.

The picture in exports was bleaker than these figures imply because the three-month base period of 1985, from which the decline of 5 per cent was calculated, was a particularly poor time for sales to Western countries.

The drop in exports this year reflected an almost complete halt in Soviet oil deliveries to the West, as world prices collapsed under the impact of a production glut and Moscow pressed for payment above market levels.

Oil sales comprised about 60 per cent of Soviet foreign exchange earnings before the price slump. Sales of oil-related products and natural gas, which made up another 20 per cent, have also been affected by the falling prices.

Some Western economists say that if world oil prices average slightly more than \$15 a barrel this year, the Soviet Union stands to lose between \$6b, and \$8b, in revenue.

This would represent up to 30 per cent of Soviet foreign exchange earnings in 1984 and would place a significant brake on plans to modernize the economy with the help of Western machinery and high technology, they say.

WORLD NEWS IN BRIEF

Dollar performs unevenly

The dollar fared unevenly yesterday in world currency markets in the wake of Japanese Prime Minister Yasuhiro Nakasone's election victory. The dollar was battered in Tokyo and Frankfurt, but firmed in London and Zurich.

The dollar fell 1.65 yen to a 159.25-yen closing, beating out the previous closing record of 160.20 set May 12. It was a post-World War II low for the dollar against the yen.

In London, the U.S. currency gained to 2.1815 Deutschmarks from 2.1720 Friday and to 160.70 yen from 160.60 pound sterling closed at \$1.5435 against \$1.5405 on Friday. In Zurich the dollar finished at 1.7680 Swiss francs from 1.7632 francs on Friday.

In Frankfurt, the dollar slid as well, falling below 2.17 marks.

"RECKLESS OVER-PRODUCTION" by members of the Organization of Petroleum Exporting Countries poses a grave threat to the stability of any future supply control agreement, *The Middle East Economic Survey* reported yesterday.

The weekly oil review said that over-production by Opec members in June exceeded earlier estimates and probably averaged over 19.5

THE PHILIPPINE ECONOMY

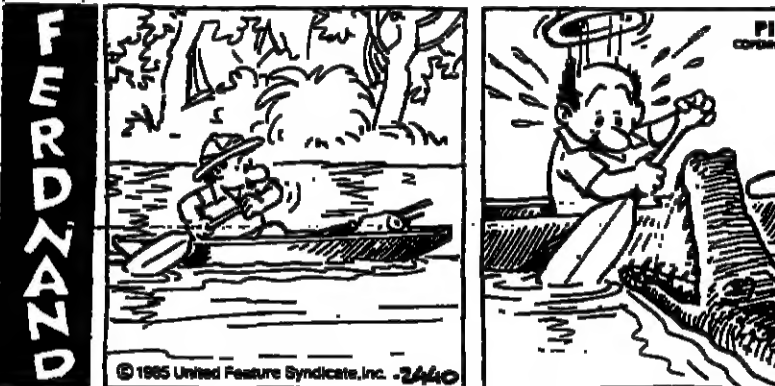
could be hurt by a failed attempt by supporters of ousted leader Ferdinand Marcos to mount a rebellion against the government of President Corason Aquino, businessmen and bankers said yesterday.

They said the attempted rebellion (see story page 1) could discourage investors from coming to the Philippines and strengthen suspicions that the government was still unstable.

The country is saddled with a foreign debt of \$26 billion and has frozen repayments since October 1983. Aquino, who is trying to revive the economy, has frequently asked foreign businessmen to invest in the Philippines.

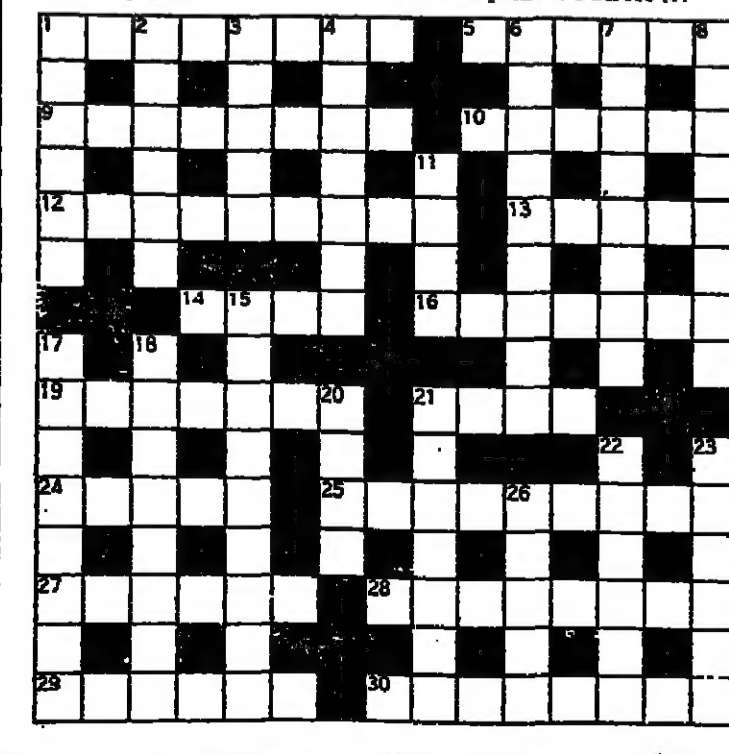
YAMAHA OF JAPAN this month acquires a more than two-thirds stake in the French MBK-Motobecane bicycle and moped group through a doubling of Motobecane's capital to the equivalent of \$15 million.

At present Yamaha controls 10 per cent of Motobecane, which is the No. 2 bicycle and moped maker in France. MBK-Motobecane President Anatole Tomkine said Yamaha's increased stake heralded new products and expanded exports in Europe and perhaps the U.S.



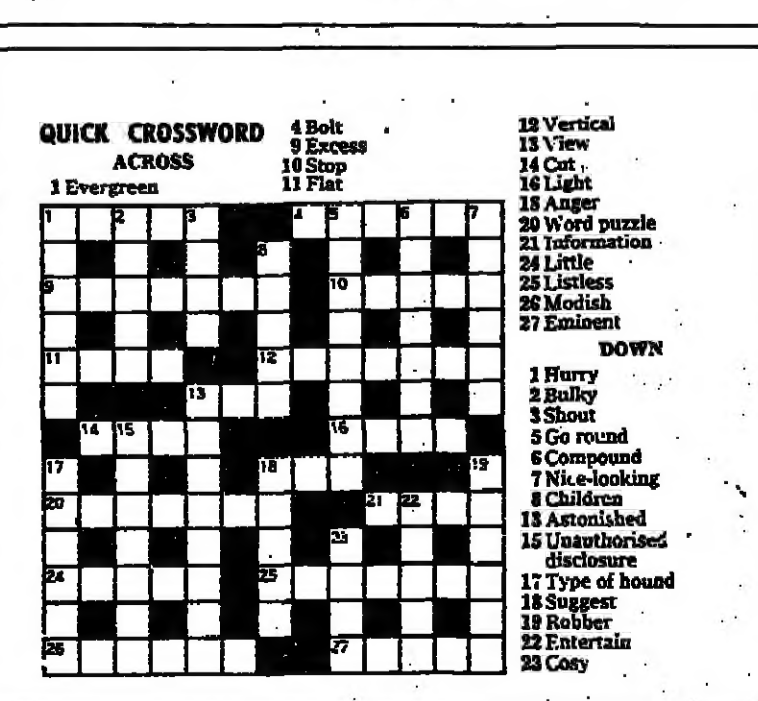
ONE-ON-ONE CROSSWORD

- ACROSS**
- 1 Top politician wants the chart altered (8)
 - 5 Ashen-faced but paid in two pounds (6)
 - 9 An agent bound to be reinstated (8)
 - 10 A little ruffian certainly, but the apple of someone's eye (6)
 - 12 Distinguishing hot meals may be nothing filling (9)
 - 13 Holds back supporters (5)
 - 14 Land in the water (4)
 - 16 Carol's cut by the German with striking outcome (7)
 - 19 Earnest constituents getting as close as possible (7)
 - 21 Shy actors (4)
 - 24 Checked stuff coppers set down (5)
 - 25 Homes were to be built in an unspecified location (9)
 - 27 Angered about article, so complained (6)
 - 28 Hiss to make a Liberal get back into place (8)
 - 29 Swing dead fish (6)
 - 30 Dwellings for old boys in principle (7)
- DOWN**
- 1 The endless stream causes a sensation (6)
 - 2 Look—a properly-folded paper (6)
 - 3 Opposition many beat (5)
 - 4 Regards a mineral as a most disagreeable sight (7)
 - 6 The material is dampish in the centre (9)
 - 7 Women's wear for heath and lake (8)
 - 8 Given directions way-back, the wise man's training (8)
 - 11 Hardy heroine? (4)
 - 15 Plant rush to good effect (8)
 - 17 Took a breath and cheered (8)
 - 18 A taxi not making a charge (8)
 - 20 Prove some of the greatest thinkers wrong (4)
 - 21 Firm doctor in key union (7)
 - 22 Censure a worker accommodating a renegade (6)
 - 23 Leave an area that has a water-shortage (6)
 - 26 Little point in 5 across (5)



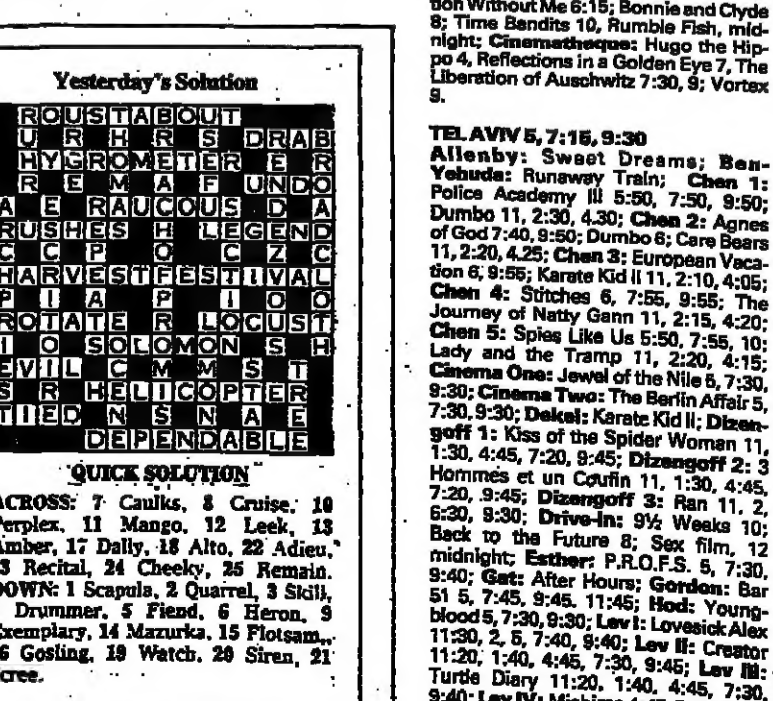
TODAY'S ENTERTAINMENT

- RADIO**
- 6.02 Morning Melodies
7.07 Morning Melodies (no details available)
7.30 Morning Concert (no details available)
9.30 Morning Concert (no details available)
12.06 Donizetti: String Quartet No. 2; Schubert: Quartet in A minor (Guarnieri)
13.00 Brahms: Symphony No. 3 (London/Shellac); Rachmaninov: Piano Concerto No. 3 (Metheny, Crandall); Schubert: Quartet in D minor (Guarnieri)
16.05 From the Record Library
16.06 Heydon: Quartet, Op. 65, No. 2 (Amadeus); Schubert: "Schwermut" (Fischer-Dieskau, Moore); Chopin: Nocturne, Op. 15, No. 2 (Ashkenazy); Bruckner: Symphony No. 4 (Bruno Walter)
18.30 Gled Mishor, piano - Heydon: Sonata in B minor; Barok: Sonata; Zvi Avni: "Epitaph" Sonata; Ravel: "Miroirs"
20.05 Schubert: Sonatas in A minor (Chen, Nole)
20.30 The Israel Philharmonic Orchestra, Zubin Mehta conducting - Luciferalvi: Symphony No. 2; Brahms: Violin Concerto (Perleman)
22.00 From the Renaissance to the Baroque
- First Programme**
- 6.02 Programme for Olim
7.30 Favourite Old Songs
8.06 Compass - with Benny Hendei
9.05 Hebrew songs
9.30 Encounter - live family magazine
10.30 Programme for Easy Hebrew
11.10 Hebrew songs
11.30 Education for all
12.05 Oriental Requests
13.00 News in English
13.30 News in French
14.00 Children's programmes
15.25 Education for all
15.55 News on a New Book
16.05 With People
17.20 Everyman's University
18.05 Jewish Tradition
18.30 Bible Reading
19.30 Programme for Olim
22.05 Two by Two
- Second Programme**
- 6.12 Gymnastics
6.30 Editorial Review
6.55 Green Light - drivers' corner
7.00 This Morning - news magazine
8.05 Puss in Sandals - children's programme
9.05 House Call - with Rivka Michaeli



TELEVISION

- EDUCATIONAL:**
5.00 Keep Fit 9.10 Pretty Butterfly 9.25 E Kid (part 7) 10.00 Just William (part 7) 10.30 This is it (repeated) 14.00 Keep Fit 14.15 The Man in the Iron Mask 15.50 Harmony 16.15 15 Near One and Dear Ones 17.00 A New Evening - live magazine
CHILDREN'S PROGRAMMES:
17.30 Garfield (part 2)
17.55 Science fiction adventure series
ARABIC LANGUAGE PROGRAMME:
18.30 News roundup
18.32 Television - documentary (part 8)
19.30 News
HEBREW PROGRAMMES: resume at 20.00 with a news roundup
20.02 Fish. Part 7 of a 13-part comedy series starring Abe Vigoda and Florence Stanley
20.30 Kolbuck
20.30 Kolbuck
- CINEMA**
- JERUSALEM 4:30, 7:30, 9:30
Eden: 3 Men and a Cradle; Edison: Cobra; Habibia: Closed for renovations
Kfir: Loveless Alex; Minchelli: Youngblood; 15. 9:30; Fantasia 10:30; 4:30, 7:30; Orion Or 11; Karate Kid 10:30, 12:30, 4:30, 7:30; Orion Or 3: Silverado 4: 6:45, 9:15; Miami Super-son 10:30 a.m.; Orna: Police Academy 11; Ron: After Hours; Sander: Prince's Honour 9:15; Binyamin Ha'am: Out of Africa 8:15; Beit Agros: The Spy Who Loved Me 4; Start the Revolution Without Me 8:15; Bonnie and Clyde 8:15; Time Bandits 10; Rumble Fish; mid- night: Cinemascope: Hugo the Hippo 4; Reflections in a Golden Eye 7; The Liberation of Auschwitz 7:30, 9; Vortex 9.
- TEL AVIV 5:15, 9:30
Altenby: Sweet Dreams; Ben-Yehuda: Runaway Train; Chen 11: Police Academy III 5:30, 7:30, 9:30; Dumbo 11, 2:30, 4:30; Chen 2: Agnes of God 7:40, 9:50; Dumbo 6; Care Bears 11, 2:30, 4:30; Chen 3: European Vacation 6:45; Karate Kid II 11, 2:10, 4:05; Chen 4: Stitches 6: 7:55, 9:55; The Journey of Natty Gann 11, 2:15, 4:20; Chen 5: Spies Like Us 5:50, 7:55, 10:00; Cinema One: Jewel of the Nile 5, 7:30, 9:30; Cinema Two: The Berlin Affair 5, 7:30, 9:30; Dumbo: Karate Kid II; Dizegoff 1: Kiss of the Spider Woman 11: 1:30, 4:45, 7:20, 9:45; Dizegoff 2: 3 Hommes et un Couffin 11, 1:30, 4:45; 7:20, 9:45; Dizegoff 3: Ran 11, 2: 6:30, 9:30; Drive-In: 9½ Weeks 10; mid- night: Eastern: P.R.O.F.S. 5, 7:30, 9:40; Get: After Hours; Gendreau: Bar blood 5, 7:30, 9:30; Levi: Loveless Alex 11:30, 2: 5, 7:40, 9:40; Levi II: Creator 11:30, 1:40, 4:45, 7:30, 9:45; Levi III: Turle Diary 11:20, 1:40, 4:45, 7:30, 9:40; Levi IV: Mishima 4:45, 7:10, 9:40; Wild Cats 11:20, 1:40; Lino: Marvada: 9½ Weeks 4:30, 7:15, 9:30; Mir: 9:30; Megarab: Closed for Renovations; Monty Python: The Life of Brian 12, 2, 4, 7, 9:30; Puss: Santa Claus - The Movie 5:40, 9:15; Shush: Out of Africa 5:40, 9:15; Shush: Closed for Renovations; Tamuz: Body Heat 7:15, 9:30; Ruthless Romance 4:30, 7:30; Tel Aviv: Cobra; Tel Aviv Museum: Shosh part II, 1 p.m.; part I: 6:30 p.m.; Zafra: Absolute Beginners 5, 7:30, 9:30; Beit Leisani: Pandango 11:15



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- HAIFA 4:30, 7:15, 9:15**
Amphitheatre: P.R.O.F.S.: Armon: Police Academy III; Atzema: Absolute Beginners 5, 7:15, 9:30; Ramat Gan: The Movie 11, 3:30; Chen: Vacation; Keren Or Hamehodesh: Dance with a Stranger; Oran: Loveless Alex 7:15, 9:30; The Journey of Natty Gann 11 a.m., 4:30; Peer: Karate Kid II; Rav-Gat 1: After Hours 7:15, 9:15; Dumbo 7:15, 9:15; Rav-Gat 2: Agnes of God 7:15, 9:15; Rav-Gat 3: The Official Story 7:15, 9:15; Rav-Gat 4: The Official Story 7:15, 9:15; Rav-Gat 5: The Official Story 7:15, 9:15; Rav-Gat 6: The Official Story 7:15, 9:15; Rav-Gat 7: The Official Story 7:15, 9:15; Rav-Gat 8: The Official Story 7:15, 9:15; Rav-Gat 9: The Official Story 7:15, 9:15; Rav-Gat 10: The Official Story 7:15, 9:15; Rav-Gat 11: The Official Story 7:15, 9:15; Rav-Gat 12: The Official Story 7:15, 9:15; Rav-Gat 13: The Official Story 7:15, 9:15; Rav-Gat 14: The Official Story 7:15, 9:15; Rav-Gat 15: The Official Story 7:15, 9:15; Rav-Gat 16: The Official Story 7:15, 9:15; Rav-Gat 17: The Official Story 7:15, 9:15; 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ECONOMIC NEWS

MARKET PLACE

DAVID RUDGE

Battle over municipal budgets

Amid the nurses strike and the Shin Bet crisis, the shutdown of municipal services by the 46 Arab local councils throughout the country has gone almost unnoticed.

Yet the strike, now entering its second week, affects a large proportion of the population numbering some 600,000 people. And the demands of the local councils, if the government accedes to them, could have long-term financial implications.

Originally, the strike was called to protest the Interior Ministry's delays in transferring a promised \$1.1 million to the Arab local authorities. The ministry had agreed to give the councils \$4m. to help them cover debts accrued over the past three years, which now total around \$15m.

A sum of \$2.9m. has already been handed over, but the ministry is making transfer of the remainder conditional on the council leaders submitting financial reports and efficiency programmes. Interior Minister Yitzhak Mordechai said yesterday that the \$1.1m. is ready and waiting to be collected the moment the programmes for streamlining personnel and services are submitted.

The leaders of the local councils, which are not generally renowned for efficiency, are demanding immediate payment of the outstanding sum without any prior conditions.

In addition, the strike has recently taken on new dimensions, with the council heads calling for budgetary parity with Jewish local authorities. They maintain that for many years they have been the poor relations, receiving only a third of the funds allocated to similarly sized Jewish local authorities.

Coupled with demands for restructuring and an increase in their regular budgets, they are also pressing for huge rises in funding for development projects. The Arab local council leaders complain, with some justification, that the vast majority of their towns and villages lack basic facilities like proper roads and sewage networks. In many cases piped water installations are inadequate or in bad state of repair.

They maintain that the Interior Ministry and Prime Minister Pines have recognized their claim and promised to implement steps to remedy the situation. But these commitments have not been fulfilled.

Such demands, while understandable, place the government in something of a quandary. How can it be seen to be giving in to the demands from the Arab sector at a time when Jewish local authorities, notably development towns, border settlements and farming villages with serious financial problems, are also pressing for urgent economic aid?

This is perhaps one of the reasons that Pines yesterday called on the Arab local councils to end their strike and allow the national union of local authorities to handle their claims. The Interior minister noted that he did not recognize a strike on a "sectoral basis."

Film sector finds itself in tight spot

By GREER FAY CASHMAN

Jerusalem Post Reporter

Rumours of impending bankruptcies and predatory pricing are circulating through Israel's communications industry, as the sector struggles under the pressures of over-investment in equipment.

Industry sources say that the sector invested heavily in state-of-the-art gear in anticipation of the government's approving a second television channel. Loaded down with expensive gear and the bills for it, the companies are cutting fees in a bid to lure business, sources say.

Rumours that Kastel Communications Ltd. might be going out of business intensified recently, after the company lost two important contracts, one of which points up the growing competition. Kastel General Manager Micha Shagrir denies the company is close to folding.

In addition to losing a lucrative contract with CNN Cable News Network to ICTV, which was recently formed from a merger between United Studios and Israel Commercial Television, Kastel was underbid for a contract it used to hold with the Foreign Ministry.

Kastel lost the Foreign Ministry tender to Tel-Ad Jerusalem Studios Ltd., which reportedly offered its services for 40 per cent less than rival bidders.

Industry sources say Tel-Ad won the contract by predatory pricing, a tactic the company's general manager, Raanan Dimur, denies. He said Tel-Ad was charging the usual rate of \$800 a day for filming and \$400 a day for editing.

"We can live very nicely from the work we're doing for the Foreign Ministry," Dimur told *The Jerusalem Post*.

The communications industry, says one senior executive, is in a state of deep disarray. "We're all waiting around to see who is going to fall first. Everyone is hanging on by the skin of their teeth," he said.

Nonetheless, despite rumours of one company or another nearing collapse, none has actually gone under.

Most of the companies have wealthy backers. Jerusalem Capital Studios, for example, is owned by Sir Leon Tamman. General manager Gabi Rosenberg maintains his concern is doing well and catering to foreign clients who don't quibble about price because they're more interested in value. But industry sources insist that Tamman is injecting fresh funds into JCS all the time.

Some sources say Discount Bank Investment Corporation Ltd. is getting tired of propping up Tel-Ad, and they predict that Kastel will stay afloat because Uri Eyal, who heads its parent company Inco, is willing to pay the price of not being embarrassed by its failure.

Meanwhile, there have been some changes at Kastel. Three months ago, Shagrir admits, there were cutbacks in both personnel and activities.

Kastel has been derelict in paying suppliers for several months, but according to Shagrir the company has not been late in paying salaries. What was harming Kastel, he says, is bank interest charges. Last year the company paid out \$600,000 in overdue interest. Shagrir, however, is optimistic that an upturn in business is likely next year. But, he concedes, he has no basis for his optimism. "It's just a feeling I have," he says.

BUSINESS BRIEFS

No money to aid firms in distress

Post Economic Reporter

The Ministry of Industry and Trade has not been able to transfer aid to companies in distress, even when approval to grant the aid has been made, because there is no money in the budget, David Brodet, assistant director-general of the ministry said yesterday.

Brodet, who is also head of the Financial Aid and Government Corporations Administration, said that in the first six months of this year, the ministry had acted on 13 of 26 requests made for aid from distressed companies. Of those 13, four had been rejected and the approved funds had been transferred to five.

But nine other companies whose requests for aid had been approved had not received any funds because of budget considerations, Brodet said. He said other justifiable applications for aid were likely to come and that the applicants would find themselves in a similar situation as the nine.

The fund was started at the beginning of the year in anticipation that many companies would be unable to meet the high borrowing costs imposed by the banks. The fund was supposed to offer loans ranging from NIS 1 million to NIS 1.5m. at a linked rate of 7.5 per cent.

Of the requests for aid received by the ministry, four were in the food sector, two in textiles, one in chemicals and seven in electronics.

INDUSTRY AND TRADE MINISTRY workers vowed to stop all supervision of prices, payments and approvals to companies and the inspection of exports, as part of their protest against Industry Minister Ariel Sharon's appointments and hiring policies.

Today, virtually all ministry operations will come to a halt as workers said they would close offices to the public and refuse to answer phones.

The workers are protesting the appointment of commercial attaches from outside the ministry and the hiring of price inspectors, most of them by Sharon aide Yisrael Katz, for political purposes. The ministry works committee said that if the price inspectors disrupt the sanction, they would launch a general strike.

Michal Yudelman

THE UNDERGROUND ECONOMY is responsible for the loss of at least 5 per cent of the gross national product, according to a study by Ya'acov Conder of Tel Aviv University. By his estimate some \$500 million a year in capital is thus able to be smuggled out of the country.

The figures came in a letter from Finance Minister Moshe Nissim to Minister of Economy and Planning Gad Ya'acobi. Nissim has ordered the implementation of all the recommendations of the Zarfati Commission that investigated the underground economy.

"The war against the disappearance of revenue tops the list of worries and priorities of the commissioner of internal revenue," Nissim said.

KREMER ELECTRONICS, a Jerusalem-based maker of video products, has developed a signal-processing device that greatly improves the quality of videotape pictures. Called the VS11EMK2, it restores sharpness, colour and vividness to old, scratched and spoiled videotapes.

The device, developed by Yosef Kremer over an eight-month period, has been available in Europe and the U.S., where it has proven extremely popular.

U.S. court voids law on cutting budget

WASHINGTON (Reuter). - The U.S. Supreme Court yesterday struck down a key part of the landmark Gramm-Rudman law requiring a balanced U.S. budget within five years.

In a 7-2 decision written by retiring Chief Justice Warren Burger, the high court said the provision involving automatic spending cuts violated the separation of powers between Congress and the president that is required by the U.S. Constitution.

The controversial budget law seeks to wipe out the \$200 billion-a-year deficits that have hurt the U.S. economy. The first round of massive spending cuts, totalling \$11.7b., went into force in March. Aid to Israel had also been expected to drop by \$1b. in the coming year due to the Gramm-Rudman cuts.

At issue in the Supreme Court was a key provision in the law requiring President Reagan to carry out automatic spending cuts divided between defence and social programmes. When Reagan signed the measure into law last December, he expressed reservations about the legality of the unprecedented delegation of power to the comptroller-general.

The court stayed its judgement for 60 days to allow the operation of a fallback provision requiring that an actual bill pass Congress and be signed by the president to meet the deficit reduction target each year, unlike the automatic spending cuts now in the law.

OIL - The largest field of thick oil discovered in China since 1980 - reserves estimated at 292 million barrels - has been found in Nanyang prefecture of central Henan province, the official Xinhua news agency reported yesterday.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indicators:	Value	% Change
General Share Index	118.79	-0.32%
Non-Bank Index	135.82	+0.33%
Arrangement	108.47	+0.31%
Insurance	150.59	-0.70%
Commerce Services	151.81	+1.18%
Real Estate	166.72	+0.52%
Industrials	124.05	+0.38%
Textiles	149.01	-0.01%
Metals	118.58	-0.23%
Electronics	85.88	+0.45%
Chemicals	125.99	+0.40%
Industrial Invest.	176.88	+0.09%
Investment Cos.	135.95	-0.07%
General Bond Index	119.40	-0.11%
Index-linked Bonds	111.81	-0.07%
Fully-linked	112.50	-0.08%
Partially-linked	110.07	-0.04%
Dollar-linked Bonds	100.06	-0.39%
Short-term Bonds	100.00	-0.00%
Medium-term Bonds	100.00	-0.00%
Long-term Bonds	100.00	-0.00%
Turnovers:		
Shares - total	NIS 5,549,200	
Arrangement	NIS 1,534,000	
Non-bank	NIS 4,015,200	
Bonds - total	NIS 5,179,400	
Index-linked	NIS 3,463,300	
Dollar-linked	NIS 1,715,500	
Treasury Bills	NIS 2,561,100	
Share Movements:		
Advances	174 (217)	
of which 5%+	26 (30)	
Declines	1 (8)	
of which 5%+	0 (0)	
"Sellers only"	92 (102)	
Unchanged	58 (54)	
Trading Halt	58 (54)	
Bond Market Trends:		
Index-linked	3% Fully-linked	Falls to 3% rises to 1.5%
4.25% fully-linked	80% linked	Slight movements
Double-linked	Dollar-linked:	Stable/slight falls
Admon	Falls to 0.5%	Stable/slight falls
Rimon	Falls to 0.5%	Stable/slight falls
Gilboa	Falls to 1.5%	Stable/slight falls
For. Curr.	denominated	Mixed to 1%
Treasury Bills	(monthly yield)	1.42-1.47%
Arrangement yields:		
IDB ord.	12.49%	
Union 0.1	12.07%	
Discount A	11.48%	
Mizrahi r.	11.82%	
Hapoalim r.	12.45%	
General A	12.31%	
Leumi stock	12.60%	
Fin. Trade 1	10.87%	

SELECTED PRICE QUOTATIONS

Name	Price	Volume	% Change
Commercial Banks			
Leumi	1089	1500	+0.2
Maritime 1	20500	129	+0.1
General non-arr.	3680	1326	-0.6
First Int'l	3980	1407	-1.2
Commercial Banks (part of "arrangement")			
JDB	82350	221	+0.1
Union 0.1	61880	88	+1.0
Discount	107350	173	+2.4
Mizrahi	34360	482	-1.0
Hapoalim r	65000	530	0
General A	143500	2	0
Leumi 0.1	35488	1688	-0.2
Fin. Trade	48770	-	-
Mortgage Banks			
Leumi Mort. r	4475	132	+0.8
Dev. Mort.	1420	340	+1.1
Mishkan r	2380	234	+0.8
Tevafor r	12100	80	-0.8
Mefar r	4880	206	+3.4
Financial Institutions			
Agriac C	no trading		
Ind. Dev. DD	no trading		
Cla Leasing 0.1	11740	222	+7.7
Insurance			
Ararot 0.1 r	823	600	-6.7
Hasehah r	476	6788	-2.9
Phoenix 0.1	889	1222	+0.1
Haimhammar	8900	11	+0.8
Mevoresh 1	no trading		
Scharr 1	4279	250	+1.9
Zion Hold. 1	18800	-	-
Trade & Services			
Melr Ezra	4575	-	-
Supersol 2	430	430	+0.4
Dalek r	2520	1755	-
Lightage	no trading		
Cold Storage	no trading		
Dan Hotels	3848	88	+4.1
Yarden Hotel	3280	28	+3.4
Hilon 1	12862	20	+1.5
Team 1	1870	100	+3.9
Real Estate, Building and Agriculture			
Azorim	824	11272	-0.2
Elion	445	8486	-
Africa bar. 0.1	33480	28	-0.1
Dankner	3884	147	+1.3
Prop. & Bldg.	2700	1583	+0.7
Bayside 0.1	4070	83	-
ILDC r	48400	75	-
Ressco r	6900	120	+4.5
Mahadrin	6850	216	-
Haderim	1130	1008	-0.4
Industrials			
Dubek b	3680	288	+2.9
Pr-Ze 1	no trading		
Sunfront	7700	57	-2.5
Elita	12600	22	+1.8
Agder	844	1488	-1.7
Argaman r	12200	48	+1.2
Datta G 1	4209	150	-0.1
Maquette 1	24800	20	-
Eagle 1	11800	43	+0.8
Polgat	3170	1623	+1.0
Schoellaria	10800	143	-3.5
Rogosin	3630	282	+1.3
Urdan 0.1 r	10100	37	-1.0
Is. Can Co. 1	1185	1727	-2.5
Zion Cables	2220	483	-2.2
Packer Steel	6750	224	+1.2
Elbit	40300	4	+0.8
Oil Exploration			
Paz Oil Expl.	12970	117	+2.0
J.O.E.L.	1510	845	-3.2
Abbreviations:			
s.o. sellers only			
b.o. buyers only			
b. bearer			
r. registered			



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the recognition of their staff represents a major claim that the phrase "embraces monetary

at the nurses will return

as issued the following suggestion in hospitals

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k" with the start of such

ement the sides are to within 6 weeks."

We've finished with the first stage. If the government negotiates in good faith, we'll remain at work. If not, we shall fight again," nurses' leader Bella Sofrin told *The Jerusalem Post*.

Histadrut Trade Union Department head Haim Haberfeld has given the nurses a letter reiterating the decisions of the Histadrut Nurses' Union and the Histadrut Central Committee that "separate divisions for all the categories of nurses, including hospital nurses," will be established.

Sofrin told *The Post* that this issue would be resolved on Monday when hospital nurses who belong to the Histadrut Nurses' Union Central Committee meet in Tel Aviv to choose their representatives for the negotiations.

It was not clear last night whether the secretary of the Nurses' Union, Keremita Padan, would participate in the negotiations. The hospital nurses oppose her participation and apparently have Kessler's backing on the matter. But *The Jerusalem Post* has learned that Haberfeld supports Padan's demand that she take part in any talks concerning nurses.

President Herzog, in an interview with the Orthodox weekly *Erev Shabbat*, published today, said that the government had rejected a proposal that he mediate in the strike.

"I was approached to handle the matter, but I stipulated that both sides agree," Herzog said.

gy row rages on

EUROPEAN FINANCIAL MARKETS

PRECIOUS METALS

GOLD:	LONDON A.M. FIX	344.45	P.M. FIX	344.85
	PARIS NOON FIX	344.44	ZURICH P.M.	344.80
SILVER:	LONDON FIX	505.75		
PLATINUM:	LONDON P.M.	430.25		
PALLADIUM:	LONDON P.M.	111.25		

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)



A Bank of Tokyo clerk adjusts figures on an exchange quotation board in Tokyo. The yen rose to a post-war high yesterday in the aftermath of Prime Minister Yasuhiro Nakasone's election victory. (Reuters)

Slump in oil prices hurts Soviet drive to modernize

MOSCOW (Reuters). — Falling world oil prices are squeezing the Soviet Union's foreign trade and slowing Kremlin leader Mikhail Gorbachev's drive to rejuvenate the economy, Western diplomats say.

Faced with the prospect of losing billions of dollars in oil revenues this year, Moscow has been forced to restrict imports of the Western goods and technology needed to modernize Soviet industry, they say.

The diplomats, economic specialists at Western embassies, say Moscow is looking to tackle the problem by selling more gold, raising money on foreign credit markets and turning to Eastern European countries as alternative suppliers.

Oil sales comprised about 60 per cent of the Soviet Union's foreign earnings. The drop in exports this year reflected an almost complete halt in Soviet oil deliveries to the West, as world prices collapsed under the impact of a production glut and Moscow pressed for payment above market levels.

The drop in exports this year reflected an almost complete halt in Soviet oil deliveries to the West, as world prices collapsed under the impact of a production glut and Moscow pressed for payment above market levels.

That, in turn, is why the hospital nurses' workload is so scandalously, and exceptionally, onerous, and why patients fail, even in "normal" times to receive the care they deserve. By promising more nursing posts, the government may help solve its conscience, but it can solve nothing.

Pounded as they are daily by official spokesmen for what is described as their brazen gall and ruthless indifference to human plight, the hospital nurses cannot have derived much satisfaction from the aid extended them by their friends in the Histadrut. To date, the Histadrut has not formally acknowledged their right to their own independent representation in talks with their employers. No doubt the Histadrut is anxious to prevent a repetition of the secondary teachers' total secession from the general teachers' union and the labour federation itself. But by its tactics the Histadrut may be driving the hospital nurses out — as well as ensuring that they will team up with those doctors who see in them potential allies in the campaign to privatize most of the country's system of public medicine.

The crisis is deepening, and it calls for a bold act of leadership. The only person who can provide it under the circumstances is the prime minister.

Let Mr. Peres — disregarding the advice tendered him by the ministers of finance and health — call the strike leaders in, as they have requested, explain to them the constraints to which the government is subject, and make them an offer which would become binding once they return to work. Arbitration, for example, or any other reasonable procedure for settling rather than ignoring the real points at dispute.

SHIN BET

(Continued from Page One)

that former attorney-general Yitzhak Zamir's complaint needs to be investigated by a judicial commission of inquiry, we were informed by lawyer Ram Caspi that the Shin Bet chief, after receiving permission from the prime minister, had gone to the president because he had decided to resign and to ask the president to pardon him and three other Shin Bet men.

Moda'i did not specify how long in advance Peres had been aware of the impending resignation/pardon deal.

Only after Caspi had informed the ministers of Shalom's plans had the justice minister, accompanied by Caspi and attorney Ya'acov Ne'eman, approached the president to discuss the matter, Moda'i wrote.

According to the affidavit, Herzog had told Moda'i that he would be willing to consider pardoning Shalom and the three other Shin Bet men if: a) the cabinet, after thorough debate, recommended such a move; b) the cabinet received an opinion from the attorney-general on the president's authority to pardon persons not yet convicted; and c) the justice minister, after consultations with the attorney-general, recommended such a move.

After hearing Herzog's response,

JAPAN

(Continued from Page One)

Reagan and Soviet leader Mikhail Gorbachev.

Nakasone said this might include talks in Japan with Gorbachev.

Nakasone maintained his previous stand when asked if he would seek another term as LDP president — an office which customarily goes with the premiership — when his second term ends in October. "I will strictly abide by party rules," he said. The rules limit the LDP president to only two terms in a row. However, LDP secretary-general Shin Kanemaru told reporters that the rules could be changed if two-thirds of the party's deputies agreed.

The results appeared to reflect little concern among voters over the recently depressed state of the Japanese economy and the sharp rise of the yen that has imperiled many export-oriented Japanese firms.

The Home Affairs Ministry said 63 million people, 71.4 per cent of Japan's 87 million eligible voters, cast ballots in the election. (Reuters, AP, AFP)

Gurdjieff
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Triumphant mediocrity

RICHARD ALBIN

THE QUOTATION, "Without prophecy, the people perish," describes our present predicament in the Middle East. The venerable Arab-Israeli conflict, which has in large part become an internal Israeli conflict over the issue of annexation, can only deteriorate due to the ebb of statesmanship by all concerned: Israel, the Arab states, the PLO, and the U.S. government.

The national unity government was formed because of the fiasco of an electoral stalemate, which was made possible only by the quirks of our electoral system. Under these circumstances, the government's logical responsibility was to clear the ground for new and effective elections, and for this purpose it took pressing crises: the exploding hyperinflation and the continued involvement of Israeli forces in the Lebanese quagmire.

Afterwards, it was to institute the minimal electoral reforms — such as a modified constituency system — required to obviate the possibility of another electoral stalemate. Elections would then allow the nation to confront the greatest national issue, to struggle for annexation or for a peace based upon partition.

The government solved the first two problems with relative ease, partly because their solutions had become fairly obvious over a long period of time. Yet its failure to work for electoral reform betrays the short supply of statesmanship among our political leaders.

Without electoral reform and new elections, it will be difficult to decide whether to deliberately move towards permanent annexation of the occupied territories, come hell or high water (the position of the Likud and its allies), or to seek a peace settlement based upon the return of the territories, possibly with minor adjustments, to Arab rule. Or even short of this, whether to push for an interim objective of regional elections and self-rule to liberate the inhabitants of these territories from detailed, coercive Israeli rule.

MOST OF the Labour party and its allies adhere vaguely to some form of the latter vision, but here again the debilitating poison of mediocrity makes itself felt. They could surely have brought this issue to a head over any of several steps along the way to these objectives, and forced new elections. Instead, vacillation, indecision, timidity have been the

Alignment's persistent hallmarks.

They have permitted every minor obstacle to become a major stumbling block, and have thus rendered themselves entirely dependent upon courageous steps by the Arabs, where statesmanship has been in similarly short supply.

It will suffice to pass over previous examples, and point out the current artificial stumbling block, which is trumped up as a veritable Rock of Gibraltar standing in the way of progress, and thereby justifying the rotation of the premiership to Yitzhak Shamir this September. This is the PLO's demand that Israel and the U.S. explicitly recognize the "right of self-determination of the Palestinian people."

Instead of justifying the suspension of progress towards negotiations, this demand should have been taken for granted from the beginning. It has always been preposterous that Israel should attempt to determine the constitutional arrangements of the Arab Palestinians after a peace settlement based upon partition.

We cannot, nor do we need to, determine who will dominate the government of such an Arab state or states, or determine whether it should be a monarchy, a republic or a military dictatorship.

If it was ever anything more than an excuse to procrastinate, the notion that Israel "cannot accept the right of self-determination of the Palestinian people" — meaning we will only accept their return to Jordanian rule — was simply an instance of populist sloganeering aimed at widespread and natural anxiety. But it is the basic task of statesmanship to transcend and discredit such fear-based and self-defeating slogans.

Instead, our "statesmen" have slumped gratefully behind this stumbling block, behaviour which is certainly characteristic of a leadership which has allowed years to elapse in negotiating the formulation of an arbitration agreement over the 600 metres of Taba. The Egyptians insist on asking the arbitrator to draw the "exact borders," while we want the "correct" ones, as if the arbitrator is bound to define either of these adjectives according to our present code-word lexicon.

SO IT GOES. But we should not neglect to note what has been impli-

cit thus far: that triumphant mediocrity characterizes the other leading characters in this conflict as well. This applies to the two men upon whom Palestinian hopes mainly rest, and founder: King Hussein and Yasser Arafat.

No doubt Arafat deserves first place in this regard. Hussein, after nearly endless, agonized procrastination, was at least willing to come to the table last spring — with representatives of the PLO and the "Great Powers." Hussein refused the PLO's demand to seek further U.S. — or Israeli — recognition of self-determination. He may have been discouraged from further pleading by Israeli and U.S. obduracy on this point.

But he did offer to bypass this emotion-based and ultimately futile veto by the simple device of postponing the issue of constitutional arrangements between Palestinians and Jordan until after the end of the Israeli occupation.

Arafat and his colleagues, on the other hand, were unwilling to grasp this vital opportunity. Whatever the risk of bad faith in Hussein's offer, it fades into insignificance before the risk created by prolonging the present trend towards absorption of the territories by Israel.

The "contribution" of the present U.S. administration can unfortunately be characterized as "well meaning, but inept." Reagan, Schultz and Weinberger simply do not show the imagination or the drive to break through any of the shibboleths erected by the immediate parties to this conflict.

There is one exception: Reagan's decency and simple-mindedness have paid dividends in such simple problems as confronting a bully and a trouble-maker such as Gaddafi — an attitude which differs from the Europeans' habitual appeasement.

But this is, at best, a marginal step, somewhat cooling the fringes of the conflict. Apart from this, throw money at the problem — to the Israelis and the moderate Arabs — plenty of new arms, and hope it will go away, or at least not explode.

What a sorry contrast to the creative persistence of Kissinger or Carter. We could all point out flaws in their actions, but today they shine against the tired nothingness of U.S. policy in this area, and provide proof that a U.S. policy with point and persistence can make a difference to the resolution of even the tortured Arab-Israeli conflict.

READERS' LETTERS

THE NEW GERMANY

To the Editor of The Jerusalem Post: — Rabbi Blumenthal in his recent letter "The other Germany" is perfectly right: our chancellor's behaviour is plainly disgraceful. The two figures — Kohl and Waldheim — side by side form a nightmarish re-creation of a shameful and degrading past, Germany and Austria happily at one in spitting upon the Jews.

Kohl's various pronouncements, intellectually poor as they are and devoid of any wit or *esprit*, have something worse about them — the hideous ring of Teutonic conceit. They are topped up by his recent act of doubtful genius and little political tact: support for Waldheim, thus interfering in another country's internal electoral matters, and this irrespective of the rather painful disputes raging around the man in question. All this was done in the name of common patriotism. Rabbi Blumenthal's outcry at the Bitburg-Salzburg "axis" is, unfortunately, well founded.

Now Kohl apart, one wonders if the Germans could sooner or later repeat the show staged by the Austrians on behalf of Waldheim on June 8. Would as large a portion of Germans own up to their anti-Semitism? Would there be enough of them, if they were honest, to do this? President von Weizsäcker would say no. His judgement is surely not reached lightly. Yet, doubt is faith's shadow. Who can tell? However, there seems to be some basis for confidence: many of those

Germans who truly and rightly enjoy the "grace of late birth" (i.e.: those who are, say, 40 or younger) appear quite immune to the dusty, clumsy and rather ridiculous patriotism of yesterday which certain German conservatives are trying to resurrect. One can hope that this implies also the cure of that sickening, disgusting Christian-European inheritance called anti-Semitism.

Let us hope that Rabbi Blumenthal never has to find out otherwise!

MARTIN KRAPE
Uhlinden-Mühlhofen, Germany.

INDIGNANT CONVERT

To the Editor of The Jerusalem Post: — The new rules on converts' identity cards (June 24) are bound to evoke indignant reactions and I am no exception.

However, what truly hit me, as a convert, (by Rabbi Shlomo Goren himself) was his utterance, "Why destroy and shame (sic) them?" What on earth is so terribly shameful about having been born a gentile? Is it anathema to have had a gentle childhood and adolescence and to sometimes look back upon those years and cherish memories? Can a person ignore his past if he keeps in touch with close relatives and friends? Is a man capable at all of ignoring his past? Definitely not.

MARUKE IVRY
Ayelet Hashahar.

VOICE OF MUSIC PROGRAMMES

To the Editor of The Jerusalem Post: — We lovers of classical music must unite and protest against the increasing flood of "modern music" being broadcast on the Voice of Music. A screech of chalk on a blackboard is like an anesthetic compared to some of the sounds coming out of my radio lately.

The editors of the Voice of Music won't accept my word for it that nobody out there actually likes the stuff called "modern" academic music, which sounds like a dentist's drill and constitutes an attack on the nervous system. Help combat this blight that seems to have infested our favourite radio station and return it to a more or less uninterrupted supply of "humanistic" music.

GLORIA A. EIN-DOR
Mevaseret Zion.

Sir, — I would like to express my heartfelt gratitude to Kol Yisrael's Voice of Music for their imaginative programmes so well conceived and so genuinely enjoyable and exhilarating.

Incidentally, I am duly impressed by their valiant efforts to overcome their Carmen and Scheherazade addiction.

RAYMOND ASSAYAS
Netanya.

Dry Bones



Putting an end to the lying

ELIEZER WHARTMAN

REPEAT A MYTH often enough and it becomes credible, even to the propagator.

Those who attended the reception given by President Chaim Herzog for the rescuers and the rescued of Entebbe had occasion to verify this axiom. Both the president and the chief of general staff constantly reiterated Israel's "resolute determination not to yield to terrorism."

Alas, despite the high-flown rhetoric at the gathering, the countless clichés on the same theme from ministers, MKs, politicians, clerics, fund-raisers, etc., the truth of the matter is that in May 1985, when Israel cravenly surrendered to terrorist demands and released 1,150 murderers, saboteurs, kidnappers and thugs, this country ceased to be the symbol of a nation determined to stand fast against terrorism. After that surrender Israel was in no position to preach to other nations not to give in to international gangsters.

The security forces have learned a bitter lesson. If you take terrorists alive, the chances are that they will be freed: in some future lopsided prisoner exchange, no matter how heinous their crimes. And so the word goes out: Don't take prisoners! Kill them in combat! If you need to interrogate one or two to extract vital information, take them alive and kill them later — quietly and unobtrusively. And if, despite your precautions, the matter is discovered, wrap yourself in the mantle of "state security," lie before any and all official investigative bodies; and if there is a public furor, run to the president. He'll grant you amnesty before a trial can take place. Later you can claim with a great deal of justification that your actions were done with the knowledge and consent of the prime minister who had been aware of and approved the "no prisoner" policy. Whilst we're at it declare that any inquiry would result in all of Israel's vital secrets being spilled out in public.

THIS CLEVER POLICY is designed to get around the refusal of the Knesset to pass a bill calling for a mandatory death penalty for any terrorist killing a civilian in the course of a terrorist action. In this way we can present a more-civilized-than-thou face to countries who be-nightedly still retain the death penal-

ty for particularly reprehensible crimes, and, at the same time, we can get rid of terrorist prisoners — a classic demonstration of how to eat your cake and have it.

The Knesset's refusal to adopt the mandatory death penalty stems basically from the fact that MKs fear that the Arabs would execute Israeli POWs in reprisal. Catch 22.

The fact is that there are so many terrorists in Israeli jails that there are more than enough for any future trade, no matter how one-sided it may be, and the Arabs are aware of this. (Just how justified such trades are is another matter.)

What is needed is an end to the lying. The Knesset must pass a bill making the death penalty mandatory for terrorists who kill civilians. Such action, I believe, would reduce the number of terrorists who attack civilian targets. At any rate, they would not be rushing to get to the hangman's noose. If experience is any guide, they will not be standing in line to become martyrs.

But most important, those who are entrusted with safeguarding the security of the state would not have to thwart the laws of the state to ensure that justice is done. If lying becomes acceptable, no military commander would be able to depend upon his colleagues or subordinates in battle: the fundamental values of the state would be undermined; and in the last analysis there would be nothing for state security to protect. Israel society would become so corrupt that we would be indistinguishable from Levantine states — if we survive.

The writer is editor of the Israel Press Service, an independent feature syndicate.



Paragraph 9 of the ordinance on rabies control states: "the veterinarian must order the destruction of any dog which is not restricted by a leash and muzzle when on the street."

SHAL TORAH CORPS

PRACTICAL RABBINICS STUDY PROGRAM

Yeshiva Student from Abroad! Our goal is to prepare young, English-speaking, yeshiva students for limited periods of service in Jewish communities abroad, as activists, educators, spiritual counsellors and rabbis, in order to combat assimilation and to bring young people and adults back to their Jewish roots.

A second course of the special training program will open in Jerusalem, for yeshiva and kollel students.

Entrance requirements: At least 4 years in an advanced yeshiva; English-speaking, with initiative, open-minded and dynamic; wife who is suitable for taking part in the work — an advantage; undertaking to serve in communities abroad and to see in this work a challenge and vocation.

Candidates may also present their applications for the SHAL program in the framework of the Kolel and Institute for Teacher Training at Yeshivat Sha'albim, with accommodation on the yeshiva campus.

Further details and terms will be supplied to suitable and serious candidates.

The applicant should send curriculum vitae and description of family status, stating the framework suitable for him.

To: Rabbi Me'aleh Gallinski, SHAL, Yeshivat Sha'albim, Ayalon Mobile Post 73225.

Ministry of Energy and Infrastructure

ENERGY CONSERVATION BRANCH

Incentives to Save Energy at Plants and Institutions

The effort to save energy is a long-term operation, the results of which are significant over a long period, in both energy and monetary terms. The Ministry is continuing to pursue a policy of encouraging investment in energy conservation.

The following incentives are offered:

1. Surveys at plants and institutions to pinpoint possibilities for saving energy (other than surveys required by the National Energy Authority Regulations) — 50% of the cost of the survey.
2. Model installations (installations that demonstrate new technology, not previously used in the branch concerned) — up to 30% of the cost of the installation.
3. Energy saving steps not taking the form of model installations, which effect annual savings greater than 50 tons of fuel equivalent — up to 15% of the cost of the steps taken.

The above does not apply to the conversion of installations to coal firing. In connection with which incentives will be given only for surveys and model installations — such incentives will be given while world fuel prices do not contra-indicate the advantage of coal firing. The funds allocated for incentives are limited. They will be given, after confirmation by the Ministry committee appointed for that purpose.

Government Publicity Bureau

Full details and request forms are available at the offices of the Unit for Energy Conservation, Petroleum Institute, 26 Rehov Ha'Universita, Tel Aviv, Tel. 03-426823, and the offices of The Bureau for Conserving Energy in Buildings, The Building Centre, 40 Rehov Ha'Universita, Tel Aviv, Tel. 03-425221.

מקדמי האל